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Financing of the African Union-United Nations Hybrid Operation in Darfur

Proposed budget of the African Union-United Nations Hybrid Operation in Darfur for the period from 1 July 2007 to 30 June 2008

Report of the Advisory Committee on Administrative and Budgetary Questions

Proposal submitted by the Secretary-General for 2007/08[a]	$1,477,766,300
Recommendation of the Advisory Committee[b]	$1,326,622,900

[a] Inclusive of the amount of $50 million authorized by the Advisory Committee on 8 August 2007 in accordance with section IV of General Assembly resolution 49/233 A.

[b] Indicative only. To be adjusted on the basis of updated information to be furnished to the General Assembly.

1. The recommendations of the Advisory Committee on Administrative and Budgetary Questions, set out below, would entail a reduction of $151,143,400 to the proposed budget for the African Union-United Nations Hybrid Operation in Darfur (UNAMID) for the period from 1 July 2007 to 30 June 2008. The Advisory Committee also makes a number of observations and recommendations with regard to the administration and management of the mission and opportunities for further savings.

2. The Advisory Committee has requested the Secretary-General to provide updated information on the deployment of military and police personnel to the General Assembly at the time of its consideration of the proposed budget for UNAMID. This could have an impact on the deployment of civilian personnel, which would be contingent upon adequate force protection to ensure safety and thus result in underexpenditure in the current budget proposal (see paras. 25 and 35 below). This is also likely to affect non-post resources (see para. 88 below). The Secretary-General should also provide an update on operational costs.

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3. The documents used by the Advisory Committee in its consideration of the financing of UNAMID are listed at the end of the present report.

I. Introduction

4. The Advisory Committee recalls that the Security Council, by its resolution 1706 (2006), extended the mandate of the United Nations Mission in the Sudan (UNMIS) to Darfur and requested the Secretary-General to take the necessary steps to strengthen support to the African Union Mission in the Sudan (AMIS), through what is known as the light support package. In light of the prevailing situation in Darfur, the Secretary-General of the United Nations and the Chairperson of the African Union Commission co-chaired a high-level meeting in Addis Ababa on 16 November 2006, which proposed to re-energize the political process and laid down the elements for a three-phased approach of United Nations support to AMIS: the light support package, a heavy support package and an African Union-United Nations hybrid operation. On 19 December 2006, the Security Council issued a presidential statement (S/PRST/2006/55) endorsing the Addis Ababa conclusions and calling for the "immediate deployment of the light and heavy support packages to the African Union Mission in the Sudan and a hybrid operation in Darfur, for which backstopping and command and control structures and systems would be provided by the United Nations".

5. The African Union-United Nations Hybrid Operation in Darfur was established by the Security Council in its resolution 1769 (2007) for an initial period of 12 months. In paragraph 1 of its resolution, the Security Council established the mandate of the mission, as set out in paragraphs 54 and 55 of the report of the Secretary-General and the Chairperson of the African Union Commission (see S/2007/307 and Rev.1). The Security Council also decided, in paragraph 2 of the resolution, that the authorized strength of UNAMID would consist of up to 19,555 military personnel, including 360 military observers and liaison officers, and an appropriate civilian police component including up to 3,772 police personnel and 19 formed police units comprising up to 140 personnel each, also incorporating AMIS personnel and the United Nations heavy and light support packages to AMIS.

6. The report of the Secretary-General (A/62/380) provides a summary, in paragraph 3, of the main steps leading to the establishment of the mission, including the financial arrangements in support of the deployment of the light and heavy support packages (see also paras. 20-23 of the report of the Advisory Committee on the financing of UNMIS (A/61/852/Add.13)).

7. The Advisory Committee notes that, in paragraph 5 of its resolution 1769 (2007), the Security Council set out the following benchmarks for the deployment of UNAMID:

(a) No later than October 2007, UNAMID shall establish an initial operating capability for its headquarters and establish financial arrangements to cover troop costs for all personnel deployed to AMIS;

(b) As from October 2007, UNAMID shall have completed preparations to assume operational command and authority over the light support package, personnel currently deployed to AMIS and heavy support package and hybrid personnel as may be deployed by the date of transfer of authority;

(c) No later than 31 December 2007, UNAMID shall assume authority from AMIS.

8. The most recent report of the Secretary-General to the Security Council (S/2007/596) provides information on steps taken towards attaining those benchmarks.

II. Light and heavy support packages implemented by the United Nations Mission in the Sudan and commitment authority granted for the period from 31 July to 31 December 2007

9. The Advisory Committee recalls that the light support package, the first element of the three-phased approach proposed in Addis Ababa on 16 November 2006 and endorsed by the Security Council on 19 December 2006 (S/PRST/2006/55), comprised equipment and personnel fully dedicated to supporting AMIS in the following four areas: logistical and material support, military staff support, advisory support for civilian police and civilian support in the areas of mine action, humanitarian liaison, public information, mission support and support for the implementation of the Darfur Peace Agreement. The second element, the heavy support package, is composed of military, police and mission support personnel and equipment as well as staff to provide support in a range of areas including civil affairs, humanitarian liaison, public information, mine action and support for the Darfur political process.

10. The Advisory Committee was informed that the actual expenditure in support of the light support package and part of the heavy support package requirements up to 30 June 2007 amounted to $87.8 million and would be reported to the General Assembly in the context of the financial performance report for UNMIS for the 2006/07 period. With regard to the period from 1 July to 31 December 2007, the projected expenditure as at 31 August 2007 relating to the heavy support package is $219.3 million. This represents the balance of total heavy support package requirement between July and December 2007 and an amount of $68.6 million pertaining to 2006/07 period. According to the Secretary-General, UNMIS can support the obligations of the heavy support package until 31 December 2007 within its current appropriation, without affecting its operations, but not after 1 January 2008. Information on the actual and projected expenditures of the light and heavy support packages is attached in annex I.

11. The Advisory Committee was informed that these requirements are incorporated in the proposed budget for UNAMID for 2007/08 and, upon approval by the General Assembly of the UNAMID budget, UNMIS would be reimbursed the expenditure incurred in 2007/08 in support of the heavy support package (see also Security Council resolution 1784 (2007)).

12. The Advisory Committee was also informed that, as at 1 October 2007, the projected cash position for UNMIS amounted to $233.4 million, after the deduction of a three-month operating reserve. Troop payments had been made up to 31 August 2007 and contingent-owned equipment payments up to 30 June 2007. The total amount assessed for UNMIS, since its inception to 30 June 2007, amounts to

$2,285.6 million, of which an amount of $2,079.5 million had been received and $206.1 million was outstanding as at 30 June 2007.

13. In accordance with section IV of General Assembly resolution 49/233, on 8 August 2007, the Advisory Committee concurred with the Secretary-General's request for authorization to enter into commitments not to exceed $50 million, to meet the most essential needs of UNAMID, pending submission of a full budget. These included resources to establish an initial capacity for the mission's headquarters and deployment of two additional battalions, as well as a three-month reimbursement of troop costs to AMIS troop-contributing countries for the period from 1 October to 31 December 2007 (see annex II).

14. The Advisory Committee notes that, in a letter dated 2 October 2007 addressed to the President of the General Assembly (A/62/379), the Secretary-General informed the Member States of a number of extraordinary measures that he exceptionally authorized to enable the Secretariat to respond efficiently and effectively to the demands placed upon it in implementing Security Council resolution 1769 (2007) within the time frames indicated in paragraph 7 above. The Committee notes that most of these measures relate to the support component, particularly in the area of deployment of personnel and procurement. In addition, the Secretary-General indicates in the letter his intention to continue to provide substantial support to AMIS under the heavy support package provisions through the temporary use of the resources approved by the General Assembly for UNMIS for the period 2007/08 and that UNMIS will be reimbursed for the expenditures in support of the heavy support package during the period 2007/08, upon approval of the UNAMID budget (see para. 11 above). Upon enquiry, the Committee was informed that these measures were being presented for information of the Member States rather than for their consideration.

15. The Advisory Committee recalls that similar measures were authorized by the Secretary-General, in the recent past, to facilitate the rapid deployment of police, military and police personnel and to establish the necessary support infrastructure required in the United Nations Integrated Mission in Timor-Leste and the rapid deployment of additional capabilities by UNMIS into Darfur (see A/61/598); as well as the rapid deployment of the additional United Nations Interim Force in Lebanon (UNIFIL) troops and the Lebanese Armed Forces in response to the implementation of Security Council resolution 1701 (2006), which pertained to UNIFIL and the United Nations Peacekeeping Force in Cyprus (see A/60/986). However, these measures were more limited in scope and number than the extraordinary measures contained in his letter of 3 October 2007. **The Committee considers that the likelihood that either the UNMIS mandate in Darfur would be expanded or that a separate mission would be established has been clear for quite some time. The Committee underlines the importance of adequate advance planning to obviate the necessity of resorting to exceptional measures. The Committee cautions against the recurrent application of exceptional measures.** The Committee further elaborates on some of these measures in its paragraphs 31, 78-82 and 85 below.

16. The Advisory Committee recalls that, in paragraph 13 of its resolution 61/289 on the financing of UNMIS, the General Assembly requested the Secretary-General to submit at the main part of its sixty-second session a revised budget for UNMIS reflecting the financial resource requirements for the heavy support package for

AMIS. The Committee notes that the proposed budget for UNAMID for the period from 1 July 2007 to 30 June 2008 incorporates those resource provisions. The Committee also notes, however, that the Security Council, in paragraph 12 of its resolution 1769 (2007), has decided that the authorized strength of UNMIS shall revert to that specified in resolution 1590 (2005) upon the transfer of authority from AMIS to UNAMID, which according to paragraph 5 (c) of the same resolution should take place no later than 31 December 2007. **The Committee points out that this reduction should therefore be reflected in the performance report for UNMIS for the period from 1 July 2007 to 30 June 2008 and the proposed budget for the period from 1 July 2008 to 30 June 2009.**

III. Proposed budget for the period from 1 July 2007 to 30 June 2008

A. Mandate and planned results

17. The Advisory Committee notes that the budget for UNAMID for the period from 1 July 2007 to 30 June 2008 is not submitted in a results-based-budgeting format. The Committee was informed that this had not been possible in view of the recent establishment of the mission and the time required for the formulation of the results-based-budgeting framework, including expected accomplishments, indicators of achievement and outputs. A brief description of the mission's five components (peace process; security; rule of law, governance and human rights; humanitarian; and support) is contained in paragraphs 7-11 of the budget document. **The Committee expects that the budget for UNAMID for the period 2008/09 will be submitted in full compliance with the relevant General Assembly resolutions on the preparation of the budgets for peacekeeping missions.**

B. Structure

18. The Advisory Committee notes that, in paragraph 7 of its resolution 1769 (2007) on UNAMID, the Security Council decided that there would be unity of command and control (a single chain of command) and that the command and control structures and backstopping will be provided by the United Nations. Related information is provided in paragraphs 12-14 of the budget document (A/62/380; see also S/2007/307/Rev.1, paras. 56-63). The hybrid mission is headed by a Joint African Union-United Nations Special Representative for Darfur who assists the Secretary-General of the United Nations and the Chairperson of the African Union Commission in the implementation of the mandate of the mission, including the coordination of all activities of the United Nations and the African Union in Darfur. All major strategic guidance to the Joint Representative will be coordinated and issued by the two organizations, while operational guidance will come from the Department of Peacekeeping Operations. These processes are already being followed with regard to the decisions on the composition of the troop and police contributors, as well as with regard to the recruitment of UNAMID senior leadership (see also para. 31 below). Furthermore, a multidisciplinary Joint Support and Coordination Mechanism will be established in Addis Ababa to facilitate close coordination at the strategic level, while maintaining clear accountability lines (see paras. 47 and 48 below).

19. In this connection, the Advisory Committee notes that a number of "strategic and legal documents" have been finalized and signed by the African Union and the United Nations (see S/2007/596, para. 13). However, a number of additional legal documents, such as the status-of-forces agreement and the exchange of letters between the African Union and the United Nations, are pending finalization. As indicated by the Secretary-General, the exchange of letters will set out the legal terms of the African Union-United Nations partnership in Darfur in order to ensure the application of United Nations regulations, rules and procedures.

20. The Advisory Committee also notes that, in line with a three-sector structure, the mission headquarters will be located in El Fasher, where the senior mission leadership and regional office for the Northern Sector of Darfur will be located — the political headquarters. A second regional office for the Southern Sector of Darfur and the Mission Logistics and Administrative Base will be located in Nyala, which will be the support headquarters in view of its better public infrastructure as compared with El Fasher. A third regional office for the Western Sector will be located in El Geneina, with a subregional office in Zalingei. Other offices include a liaison office co-located with UNMIS in Khartoum (see para. 46 below), a start-up Forward Operational Logistics Base with warehousing support and transiting facility in El Obeid, which will be operated jointly with UNMIS; a support office in Port Sudan, which will be the main port of entry for UNAMID goods by sea, and the office of the Joint Support and Coordination Mechanism in Addis Ababa (see para. 47 below). The annex to the Secretary-General's report (A/62/380) contains the organization chart for the mission and the proposed allocation of posts. **The Advisory Committee makes some observations and recommendations as to the staffing of these offices in section III.C.2 below.**

C. Resource requirements

21. The budget proposal of the Secretary-General contains cost estimates that amount to $1,477,766,300 gross ($1,466,209,700 net) for the period from 1 July 2007 to 30 June 2008 for UNAMID. Most of the resources, $1,066,794,100, or 72 per cent, relate to operational costs as the mission is being set up.

22. The resource planning assumptions for UNAMID are described in paragraphs 15-30 of the Secretary-General's report (A/62/380). **The Advisory Committee welcomes the inclusion of this information, which is submitted pursuant to the request in General Assembly resolution 61/276 (sect. II, para. 2).**

23. The Advisory Committee notes that a risk assessment project was initiated in August 2007, with the establishment of a four-person interdepartmental interdisciplinary team with the aim of completing a Darfur mission start-up risk assessment before the end of October 2007 (see A/62/380, para. 30). The Committee was informed that this pilot project was meant to ascertain the relevance of the planning assumptions. **The Committee requests that information on the results and evaluation of this pilot project be provided to the General Assembly to see how it can be applied in other missions in future.**

1. Military and police personnel

Category	Total authorized[a]	Monthly deployment (2007/08)				Difference between authorized and planned		Delayed deployment factor applied to cost estimates for budgetary purposes
		August	December	March	June	Number	Percentage	Percentage
Military observers	240	—	—	90	210	30	13	15
Military contingents	19 315	105	10 113	13 896	18 453	862	4	45
United Nations police	3 772	44	178	2 037	2 627	1 145	30	25
Formed police units	2 660	—	370	930	1 770	890	33	25
Military and police personnel	**25 987**	**149**	**10 661**	**16 953**	**23 060**	**2 927**	—	—

[a] Authorized strength as per Security Council resolution 1769 (2007).

24. The military and police personnel costs of $301,576,300 take into account the phased deployment schedule shown in the table above and annex III below, as well as delayed deployment factors of 15 per cent for military observers, 45 per cent for military contingents and 25 per cent for United Nations police and formed police units. As it is assumed that arrangements for United Nations-provided accommodation and meals will not be ready to be offered during the budgeted period, a mission subsistence allowance rate is included, based on the rate used for the Sudan ($166 for the first 30 days and $116 thereafter). However, the Committee was informed that a requisite survey for Darfur was being planned and was expected to take place later in the year.

25. The Secretary-General's report to the Security Council (S/2007/596, paras. 7-9) provides information on the force and personnel generation. The African Union and the United Nations agreed on a list of troop-contributing countries for UNAMID, reflecting the commitment to preserve the predominantly African character of the Mission. The Advisory Committee was informed that the list was sent to the Government of the Sudan on 2 October 2007. However, as regards aviation and heavy ground transportation (three medium-utility helicopter units, two transport units and one light tactical helicopter unit), pledges are still awaited. The Committee also notes that the rapid deployment of military and police components during the start-up phase will depend on ability to overcome logistical challenges as well as operational difficulties in view of the lack of infrastructure, mandate implementation lead times and the size of the operation. **In view of the above, the Advisory Committee cautions that there could be delays in the deployment schedule. The Committee requests that up-to-date information be provided to the General Assembly, at the time of its deliberations, on the status of force generation and preparations for deployment, as this could have a further impact on the budget estimates. In case the planned deployment schedule does not materialize, the related underexpenditure must be reported in the performance report, including an explanation as to the reasons for the variance from the original assumptions.**

26. In this connection, the Advisory Committee notes that the Security Council, in its presidential statement of 24 October 2007, has expressed its deep concern at the

delays in deploying UNAMID, calling on Member States to urgently make available the aviation and ground transport units still required for UNAMID and for all parties to facilitate and expedite the effective deployment of UNAMID (S/PRST/2007/41).

2. Civilian personnel

Actual and planned deployment of personnel[a]

Category	Total proposed[b]	Monthly deployment (2007/08)				Difference between total proposed and planned		Factor applied to cost estimates for budgetary purposes
		August	December	March	June	Number	Percentage	Percentage
International staff	1 524	130	387	754	940	584	38	5
National staff[c]	3 425	214	547	1 455	2 062	1 363	40	0
United Nations Volunteers[d]	548	80	160	337	548	—	0	40

[a] Does not include 55 international and 30 national general temporary positions proposed for the Office of Joint Mediation Support Team, the Support Cell to the Darfur-Darfur Dialogue and Consultation and the Humanitarian Office (see paras. 32 and 33 below).

[b] Represents highest level of proposed strength.

[c] Includes 144 National Professional Officers and 3,281 national General Service staff.

[d] Includes 4 National United Nations Volunteers.

27. The civilian staffing component proposed for UNAMID includes a total of 5,497 posts, as shown in the table above. However, the civilian personnel costs included in the budget for the period from 1 July 2007 to 30 June 2008 ($109,395,900) take into account the planned deployment schedule which projects a civilian staffing component of 3,550 by 30 June 2008 (see also planned monthly deployment schedule attached in annex IV), as well as a 5 per cent delayed recruitment factor applied for international staff and of 40 per cent for United Nations Volunteers. Upon enquiry, the Advisory Committee was informed that no delayed deployment factor had been applied for national staff as the planned deployment for the period equated to 60 per cent of the total number of national staff proposed. Moreover, experience with the recruitment for the heavy support package staffing demonstrated few difficulties in finding candidates for certain functional groups such as security, drivers, engineering support staff and language assistants (18,000 applications were received for 550 posts advertised). As regards other specialized skills, the Committee was informed that an outreach campaign was planned throughout the Sudan.

28. In this connection the Advisory Committee notes that a dedicated recruitment team (Darfur Tiger Team) has been established to fill UNAMID posts expeditiously (see A/62/380, para. 29). The team has already been recruiting staff for the light and heavy support packages and has taken into account lessons learned by UNMIS, as well as benefiting from the systems and staff rosters developed by it.

29. Only four national United Nations Volunteers have been budgeted, representing the number of such posts required to be subsumed under UNAMID from UNMIS (see para. 30 and component 3 below). The Committee was informed that this took into account UNMIS experience and difficulties in attracting qualified national United Nations Volunteers.

30. The Committee further notes that, in line with Security Council resolution 1769 (2007), UNAMID shall incorporate AMIS personnel no later than 31 December 2007. The Committee was informed that AMIS has 322 staff at present (110 international and 212 national staff, of which 130 are language assistants). UNAMID will also incorporate the UNMIS facilities and appropriate staff already stationed and working in Darfur. The Committee was informed that 563 UNMIS posts in Darfur (128 international, 401 national and 34 United Nations Volunteers) will be incorporated into UNAMID.

31. The Committee was also informed that it has been agreed that senior posts, at the D-1 level and above, are subject to a process of consultation between the African Union and the United Nations, although normal United Nations recruitment processes apply. For mission support posts, given the significant financial and administrative responsibilities involved, priority will be given to qualified candidates with experience and knowledge with United Nations rules and regulations. For UNAMID positions below the D-1 level, candidates apply through the Galaxy website. Given the high number of applications received, however, the African Union will provide the United Nations with a list of African Union staff who have applied. However, all applicants will be considered in accordance with the United Nations established procedures for competitive selection, with the exception of the AMIS staff to be absorbed. The Committee notes that, as AMIS staff are to be incorporated into UNAMID no later than 31 December 2007, they will undergo a streamlined recruitment procedure, whereby their suitability will be assessed on the basis of competency-based interviews in relation to the standards of the specific post for which they have applied instead of against other candidates, in accordance with the flexibility measures in the Secretary-General's letter to the President of the General Assembly (A/62/379). The Committee was informed that the review process of the AMIS staff is expected to be finalized by early November 2007.

32. The staffing proposals for UNAMID for the period 2007/08 include a total of 85 positions (55 international and 30 national) to be funded under general temporary assistance. These include 18 international staff positions for the Office of Joint Mediation Support Team until 31 December 2007; 13 positions (9 international and 4 national) for the Support Cell for the Darfur-Darfur Dialogue and Consultation and 54 positions (28 international and 26 national) for the humanitarian component until 30 June 2008 (see paras. 43, 44 and 58 below). The actual and planned deployment of personnel from 1 July 2007 to 30 June 2008 is shown in annex V.

33. **The Advisory Committee notes that the general temporary assistance positions are treated on par with established posts with a 40 per cent delayed deployment factor applied for budgetary purposes. General temporary assistance positions are temporary in nature and their cost is debitable to the operational costs. The Committee is of the opinion that the projected resources should rather have been requested on the basis of actual requirements determined on the number of person-months required for the tasks. The Committee will address this issue in the context of its report on peacekeeping cross-cutting issues for the period 2008/09.**

34. **The Advisory Committee is of the opinion that, with the presence of two missions in the same country, it is essential to maximize synergies and to exploit all opportunities for efficiencies through joint and collaborative action between UNMIS and UNAMID. The present proposal does not provide a detailed**

analysis of such opportunities. The Committee recommends that the proposed budget for 2008/09 presents an analysis of the scope for joint services, such as in the areas of port clearance, freight forwarding, aviation operations, logistics and training and that the plan for the balance of 2007/08 be re-examined accordingly.

Observations and recommendations on posts

35. **The Advisory Committee is of the view that the deployment of staff should be phased in order to conform to the operational needs of the mission as it evolves, on the basis of a realistic assessment of what is achievable or required at different times. Not all functions are required simultaneously at the start-up of the mission. The Committee notes the planned deployment schedule and associated costs indicated in paragraph 27 above, which provide for the deployment of 62 per cent and 60 per cent of the total numbers proposed for international and national staff, respectively, by 30 June 2008. However, the Committee is of the opinion that the structure of the mission, the final allocation of posts and their grade levels should remain under review as the mission is deployed. The Committee therefore expects that the budget for UNAMID for the period from 1 July 2008 to 30 June 2009 will reflect experience gained and include further review taking into account actual workload, as well as justification for all staffing proposals, taking into account the recommendations made in paragraphs 36-74 below.**

Executive direction and management

	Proposed posts	*Level*
Mission headquarters	70	1 USG, 1 D-2, 1 D-1, 5 P-5, 12 P-4, 17 P-3, 3 P-2/1, 8 Field Service, 10 national General Service, 9 National Professional Officers, 3 United Nations Volunteers
Field offices	24	3 D-1, 3 P-3, 3 Field Service, 12 national General Service, 3 National Professional Officers
Total proposed	**94**	**1 USG, 1 D-2, 4 D-1, 5 P-5, 12 P-4, 20 P-3, 3 P-2/1, 11 Field Service, 22 national General Service, 12 National Professional Officers, 3 United Nations Volunteers**

36. Included under executive direction and management are the proposed staffing resources of the Office of the Joint Special Representative, the Office of the Chief of Staff, the Office of Legal Affairs, the Joint Mission Analysis Centre and the Office of Resident Oversight (A/62/380, paras. 36-47).

37. The Office of the Joint Special Representative, headed at the Under-Secretary-General level is described in paragraphs 37 and 38 of the Secretary-General's report (A/62/380). A Senior Economic Adviser post (P-5 level) is proposed to advise the Joint Special Representative on the macroeconomic dimensions of the conflict in Darfur and on the transition to peace at the domestic and international levels. The Advisory Committee is of the opinion that support in this regard could be sought from UNMIS, where such a post currently exists as well as from the United Nations country team. **The Committee, therefore, recommends against the approval of**

the post of the Senior Economic Adviser (P-5) in the Office of the Joint Special Representative.

38. In this connection, the Advisory Committee notes that full engagement with the United Nations country team is required to ensure an appropriate and efficient distribution of functions. **The proposed budget for 2008/09 should draw out more clearly than does the present proposal the extent of such collaboration between UNAMID and the United Nations country team.**

39. The Office of the Chief of Staff includes the staffing resources for the three regional offices (El Fasher, Nyala and El Geneina) which are proposed to be headed at the D-1 level (3 D-1 posts), each assisted by a Reporting Officer (3 P-3), a Field Coordination Officer (3 National Professional Officers), two Administrative Assistants (3 Field Service and 3 national General Service staff), two Language Assistants (6 national General Service staff) and a Driver (3 national General Service posts). The Advisory Committee was informed that managerial and administrative authority was delegated to the heads of the regional offices and their assigned Senior Administrative Officer in a selective and measured manner, commensurate with the need to provide them with the necessary freedom of action to carry out the work of the mission. Upon enquiry as to the degree of delegated authority granted to the regional offices, the Committee was informed that the delegated managerial authority included the authority to approve leave and authenticate time and attendance reports, movements within the geographical region, complete performance appraisals and establish priorities for resource utilization.

40. **The Advisory Committee is of the opinion that this does not constitute a comprehensive delegation of authority, which would warrant higher grade levels at regional offices. Therefore, the Advisory Committee recommends that the regional offices be headed at the P-5 instead of the D-1 level.**

Component 1: peace process

	Proposed posts[a]	*Level*
Mission headquarters	158	1 ASG, 2 D-2, 2 D-1, 9 P-5, 16 P-4, 24 P-3, 8 P-2/1, 17 Field Service, 54 national General Service, 18 National Professional Officers, 7 United Nations Volunteers
Field offices	238	1 USG, 1 ASG, 3 D-2, 3 D-1, 11 P-5, 24 P-4, 49 P-3, 12 P-2/1, 18 Field Service, 64 national General Service, 39 National Professional Officers, 13 United Nations Volunteers
Total proposed[a]	**396**	**1 USG, 2 ASG, 5 D-2, 5 D-1, 20 P-5, 40 P-4, 73 P-3, 20 P-2/1, 35 Field Service, 118 national General Service, 57 National Professional Officers, 20 United Nations Volunteers**

[a] Includes 13 positions (1 D-1, 1 P-5, 2 P-4, 4 P-3, 1 Field Service, 4 national General Service) for the Support Cell for the Darfur-Darfur Dialogue and Consultation and 18 positions (1 USG, 1 ASG, 1 D-2, 2 D-1, 3 P-5, 4 P-4, 6 P-3) for the immediate office of the United Nations Special Envoy for Darfur funded under general temporary assistance.

41. The peace process component includes the proposed staffing resources for the Office of the Deputy Joint Special Representative, the Political Affairs Division, the Communications and Public Information Division, the Civil Affairs Section, the Joint Mediation Support Team, the Joint Support and Coordination Mechanism and the Khartoum Liaison Office (A/62/380, paras. 48-88).

42. The Advisory Committee notes that, in addition to assisting the Joint Special Representative in overseeing the implementation of the mission's mandate and overall management of the mission, the proposed Deputy Joint Special Representative (Assistant Secretary-General level) would direct the programmatic activities of the civil affairs, rule of law, judicial system and prison advisory, human rights, disarmament, demobilization and integration and communications and public information areas (see A/62/380, paras. 48 and 49). **The Committee recommends acceptance of the post at the Assistant Secretary-General level for a Deputy Joint Special Representative.**

43. The staffing resources of the Political Affairs Division include 37 posts (1 D-2, 3 P-5, 7 P-4, 8 P-3, 1 P-2/1, 1 Field Service, 3 national General Service, 13 National Professional Officers) proposed to carry out the functions indicated in paragraphs 50-52 of the Secretary-General's report (A/62/380). The Division also includes a Support Cell to the Darfur-Darfur Dialogue and Consultation, for which 13 positions are proposed (1 D-1, 1 P-5, 2 P-4, 4 P-3, 1 Field Service, 4 national General Service) to be funded from general temporary assistance until 30 June 2008, in view of their temporary nature (ibid., para. 52).

44. Component 1 also includes the staffing resources proposed for the Joint Mediation Support Team which supports the mediation activities of the Special Envoys of the Secretary-General and the African Union Commission Chairperson and the implementation of the Joint African Union-United Nations road map for the political process in Darfur. The proposed staffing of 33 posts, includes 18 positions (1 USG, 1 ASG, 1 D-2, 2 D-1, 3 P-5, 4 P-4, 6 P-3) proposed to be funded from general temporary assistance until 31 December 2007. From 1 January 2008, funding would revert to the special political missions provision should the mandate of Special Envoy be extended by the Security Council beyond 31 December 2007. In this connection, the Advisory Committee also notes that the Security Council, in its resolution 1779 (2007), extended the mandate of the current related Panel of Experts until 15 October 2008. The Committee will consider this in the context of the requirements for the special political missions to be submitted during the main part of sixty-second session of the General Assembly. Fifteen additional posts are proposed to support the Team administratively (1 P-5, 2 P-4, 5 P-3, 7 Field Service). The posts, to be located in Khartoum and El Fasher, are described in paragraphs 78-81 of the Secretary-General's report (A/62/380).

45. **With the establishment of UNAMID, the Advisory Committee believes that there is necessity to rationalize the multiplicity of political affairs posts within component 1 (peace process), especially in relation to the Political Affairs Division and the Joint Mediation Support Team. Following action by the Security Council on the future of the functions of the Special Envoy, the Advisory Committee will revert to the issue of the related resource requirements. Furthermore, the Committee reiterates the need for ensuring complementarities and cooperation in carrying out the support tasks involved within the mission, as well as among relevant departments (the Department of**

Peacekeeping Operations, the Department of Field Support, the Department of Political Affairs and the Department of Public Information).

46. It is also proposed to establish a Liaison Office in Khartoum, with a representational role with the host Government on all matters related to UNAMID operations and a coordination role with UNMIS. The Office is proposed to be co-located with UNMIS and to include a multidisciplinary component of 28 staff (1 D-2, 4 P-5, 4 P-4, 8 P-3, 3 Field Service, 7 national General Service, 1 National Professional Officer). This is described in paragraphs 85-88 of the Secretary-General's report (A/62/380). **While the Advisory Committee recognizes the need for a liaison office in Khartoum, it recommends that the Office be headed at the D-1 instead of the D-2 level. Furthermore, the proposed staffing component should be reviewed in view of existing capacity in and possible complementarities with UNMIS. The streamlined proposals should be presented and fully justified in the context of the budget submission for 2008/09.**

47. As indicated in paragraph 18 above, a multidisciplinary Joint Support and Coordination Mechanism will be established in Addis Ababa to ensure close coordination at the strategic level in the partnership between the African Union and the United Nations and to facilitate information-sharing and communication between the Department of Peacekeeping Operations and the African Union Peace and Security Department on matters related to the deployment of UNAMID. The Mechanism is to be staffed by United Nations and African Union Commission personnel. A total of 22 posts are proposed for this multidisciplinary Mechanism, which includes a substantive component headed by a Political Director (D-1) and a support component, headed by a Head of Office (D-2). The staffing information is provided in paragraphs 82-84 of the Secretary-General's report.

48. Upon enquiry, the Advisory Committee was informed that the difference in the post levels proposed for the heads of the two components is due to the fact that the role of the head of the substantive component (D-1) would be limited to UNAMID, whereas it was envisaged that the role of the head of the support component (D-2) would not necessarily be limited to UNAMID. The intention is to create a broader support mechanism in Addis Ababa, which would bring under one chain of command the various support entities currently established in Addis Ababa in support of the African Union. **The Advisory Committee recommends that the level of the posts proposed to head both components be set at the D-1 level and that specific information be provided in the proposed budget for 2008/09 on the steps actually taken to implement the unified chain of command and the resulting efficiencies gained.**

Component 2: security

	Proposed posts	*Level*
Mission headquarters	86	1 ASG, 2 D-2, 2 D-1, 2 P-5, 7 P-4, 4 P-3, 3 P-2/1, 5 Field Service, 56 national General Service, 4 United Nations Volunteers
Field offices	1 108	3 P-5, 3 P-4, 6 P-3, 8 P-2/1, 1,080 national General Service, 8 National Professional Officers
Total proposed	**1 194**	**1 ASG, 2 D-2, 2 D-1, 5 P-5, 10 P-4, 10 P-3, 11 P-2/1, 5 Field Service, 1,136 national General Service, 12 United Nations Volunteers**

49. The security component of the mission includes the staffing resources for the Office of the Force Commander, the Police Division and the Disarmament, Demobilization and Reintegration Section of the mission. These are described in paragraphs 89-102 of the Secretary-General's report. The Advisory Committee notes that the Civilian Police Division is proposed to include a total of 1,115 national staff, of which 1,068 would be located in the field offices supporting the formed police units and community policing centres. The formed police units and United Nations police officers in the team sites are proposed to be supported by a total number of 28 administrative assistants and 193 language assistants (221 national General Service staff) and the community policing centres at 108 locations will also require the support of language assistants (760 national General Service staff) (A/62/380, paras. 96 and 97). Upon enquiry, the Committee was informed that the Police Division required language assistants fluent in Arabic and local dialects in order to conduct its training tasks and for mentoring and engaging the local community. To date, only four Arabic-speaking countries have indicated an interest in contributing a total of 118 officers and 3 formed police units for Darfur, out of the authorized number of 3,772 police officers and 19 formed police units.

50. A total of 49 posts (20 international, 17 national and 12 United Nations Volunteers) are proposed for the Disarmament, Demobilization and Reintegration Section (see A/62/380, paras. 98-102). The Advisory Committee was informed that planning assumptions were based on signature of the Darfur Peace Agreement that was expected in early November 2007 (negotiations began on 27 October 2007) and commencement of the disarmament, demobilization and reintegration programme beginning late May or early June 2008. Upon enquiry, the Committee was informed that the full personnel complement needed to be on the ground and fully operational by this date, with all preliminary work at headquarters and in the sectors completed in order not to cause delays to the programme and related aspects of the peace process once agreed.

51. The Advisory Committee notes that UNAMID will work closely with United Nations agencies, funds and programmes, non-governmental organizations and other partners that would be responsible for implementing the reintegration phase of the disarmament, demobilization and reintegration programme (see A/62/380, paras. 98 and 99). The Committee also notes that ongoing humanitarian operations would continue to be coordinated by the Humanitarian Coordinator for the Sudan

(the UNMIS Deputy Special Representative of the Secretary-General/Resident Coordinator and Humanitarian Coordinator).

52. **The Advisory Committee acknowledges that a number of important steps must be undertaken before the actual implementation of the disarmament, demobilization and reintegration programme, including the selection of necessary staff needed to perform functions related to site selection, planning and conducting public information and sensitization campaigns, training, coordination with the relevant parties involved in the process and the joint United Nations Disarmament, Demobilization and Reintegration Unit (see A/62/380, para. 98). Nevertheless, the Committee is of the opinion that the full implementation of the disarmament, demobilization and reintegration programme is contingent on the signature of the peace agreement by some additional parties and the subsequent precise determination of the numbers of those targeted to participate in the programme. The Committee therefore trusts that the deployment of staff required for disarmament, demobilization and reintegration will be done in a phased manner, taking into account actual developments and needs on the ground.**

Component 3: rule of law, governance and human rights

	Proposed posts	*Level*
Mission headquarters	58	2 D-1, 4 P-5, 5 P-4, 7 P-3, 3 P-2/1, 5 Field Service, 20 national General Service, 8 national Professional Officers, 4 United Nations Volunteers
Field offices	274	3 P-5, 17 P-4, 36 P-3, 27 P-2/1, 4 Field Service, 126 national General Service, 21 national Professional Officers, 40 United Nations Volunteers[a]
Total proposed	**332**	**2 D-1, 7 P-5, 22 P-4, 43 P-3, 30 P-2/1, 9 Field Service, 146 national General Service, 29 national Professional Officers, 44 United Nations Volunteers[a]**

[a] Includes 4 national United Nations Volunteers indicated in para. 29 above.

53. Component 3 includes the proposed staffing resources for the Rule of Law, Judicial System and Prison Advisory Section, the Human Rights Section, the Child Protection Unit and the Gender Advisory Unit. These are described in paragraphs 103-129 of the Secretary-General's report.

54. A total of 208 posts (69 international, 106 national and 33 United Nations Volunteers) are proposed for the Human Rights Section (A/62/380, paras. 110-121). Of this total, 22 staff would be located at headquarters while 186 would be located in field offices. The Advisory Committee recalls that in accordance with the memorandum of understanding signed between the Department of Peacekeeping Operations and the Office of the United Nations High Commissioner for Human Rights (OHCHR) on 22 November 2002, human rights activities are fully integrated into peacekeeping operations and are under the authority of the Special Representative of the Secretary-General, while receiving support and backstopping from OHCHR. There will be no self-standing OHCHR presence in Darfur.

55. Paragraphs 110 and 111 of the Secretary-General's report (A/62/380) indicate the tasks to be performed by the Human Rights Section. One of the tasks included is the coordination with both UNAMID military and police components and their training structures, in addressing human rights training needs for military and police personnel upon and during deployment. **The Advisory Committee recommends that the deployment of staff to carry out those tasks be phased in accordance with the deployment of military and police personnel** (see para. 25 above).

56. A total of 35 posts are proposed for the Gender Advisory Unit (11 international and 19 national and 5 United Nations Volunteers). **While the Advisory Committee recognizes the importance of gender mainstreaming in all aspects of the work of the mission, it recommends that the number of posts be reviewed taking into account experience on the ground.**

57. **Insofar as recruitment for national General Service and national Professional Officers is concerned, the Advisory Committee recommends acceptance of the Secretary-General's proposals.**

Component 4: humanitarian

	Proposed posts[a]	*Level*
Mission headquarters	14	1 D-1, 1 P-5, 2 P-4, 2 P-3, 1 P-2/1, 1 Field Service, 4 national General Service, 2 national Professional Officers
Field offices	40	4 P-4, 8 P-3, 8 P-2/1, 12 national General Service, 8 national Professional Officers
Total proposed[a]	**54**	**1 D-1, 1 P-5, 6 P-4, 10 P-3, 9 P-2/1, 1 Field Service, 16 national General Service, 10 national Professional Officers**

[a] Proposed to be funded under general temporary assistance.

58. The report of the Secretary-General and the Chairperson of the African Union to the Security Council (S/2007/307/Rev.1) indicated in paragraph 61 that the ongoing humanitarian operations in Darfur would be distinct from the hybrid operation and would continue to be coordinated by the Humanitarian Coordinator for the Sudan (the UNMIS Deputy Special Representative of the Secretary-General/ Resident Coordinator and Humanitarian Coordinator). This arrangement seeks to respect the need to maintain a distinction between humanitarian operations and the political, military and security presence in Darfur. A humanitarian liaison component headed by a D-1 is therefore proposed in the UNAMID budget document to ensure synergies from the start-up of the mission. The component comprises 54 positions proposed to be funded under general temporary assistance. The distribution of these staffing resources is explained in paragraphs 132-137 of the Secretary-General's report (A/62/380). The Advisory Committee notes that the proposed positions will be based at mission headquarters, the three sectors and the subsector (El Fasher, Nyala, El Geneina and Zalingei, respectively) and as the security situation permits, personnel from the sectors and subsector offices will be redeployed to the 13 military outposts.

59. The Advisory Committee also notes that a delayed deployment factor of 40 per cent was applied in costing the positions proposed to be funded under general temporary assistance (see paras. 32 and 33 above). The Committee was informed that the Office for the Coordination of Humanitarian Affairs had been directly involved in the preparation of the budget and that the mission's performance in implementing its humanitarian liaison mandate will be assessed in conjunction with UNMIS.

60. Upon enquiry, the Advisory Committee was informed that the humanitarian presence in Darfur was estimated at 10,994 personnel (including 10,951 personnel from international non-governmental organizations and Red Cross/Red Crescent missions and 43 staff from the UNMIS humanitarian pillar). A total of 1,219 personnel from United Nations agencies, funds and programmes, and the International Organization for Migration is also deployed in Darfur (see annex VI).

61. **In view of the above, the Advisory Committee recommends that the humanitarian component for UNAMID be further reviewed with UNMIS with a view to maximizing efficiency and that any changes proposed be reflected in the programme and resources for both the UNAMID and UNMIS budgets for 2008/09.**

62. Upon further enquiry the Advisory Committee was informed that the humanitarian liaison and human rights posts in UNAMID were to be funded through the UNAMID budget. The Office for the Coordination of Humanitarian Affairs will, however, be responsible for the funding of its offices tasked with humanitarian coordination in Darfur (with permanent presence in El Fasher, Nyala, Geneina, Zalingei and satellite offices in Garsila, Ed Daien, Kebkkabiya and Gereida) including support for the Resident and Humanitarian Coordinator for the Sudan, who retains responsibility for humanitarian coordination throughout the country. The grade level of heads of offices of the United Nations Children's Fund (UNICEF), the Office for the Coordination of Humanitarian Affairs and the Office of the United Nations High Commissioner for Refugees (UNHCR) in Darfur are as follows:

- UNICEF: El Fasher (L-5), Nyala (L-4), El Geneina (L-3) and Zalingei (L-3)
- Office for the Coordination of Humanitarian Affairs: El Fasher (P-5), Nyala (P-5), El Geneina (P-4) and Zalingei (P-4)
- UNHCR: the activities are headed by P-5

63. It is evident from the above that the request of the Secretary-General for offices in different locations in Darfur shows a relatively higher grade level proposed to undertake liaison and coordination work. **Given the fact that the United Nations funds, programmes and specialized agencies are carrying out substantive work with specialized skills available in their domain, the Advisory Committee is of the opinion that the grade levels of mission personnel performing liaison, advocacy and coordination functions could be done at lower levels. Furthermore, close coordination with the UNMIS Deputy Special Representative of the Secretary-General/Resident Coordinator and Humanitarian Coordinator for the Sudan and the Office for the Coordination of Humanitarian Affairs in the Secretariat must be ensured.**

64. The Advisory Committee requested information but did not receive a comprehensive response regarding the substantive work being done by the Office for the

Coordination of Humanitarian Affairs, the United Nations funds and programmes and the specialized agencies. **The Committee requests that this information be provided to the General Assembly to enable it to take an informed decision regarding the grade level of various posts incorporated in the UNAMID budget.**

Component 5: support

	Proposed posts	*Level*
Mission headquarters	1 176	1 ASG, 1 D-2, 7 D-1, 23 P-5, 45 P-4, 84 P-3, 17 P-2/1, 276 Field Service, 584 national General Service, 21 national Professional Officers, 117 United Nations Volunteers
Field offices	2 336	1 D-1, 8 P-5, 36 P-4, 84 P-3, 27 P-2/1, 523 Field Service, 1 General Service, 1,279 national General Service, 25 national Professional Officers, 352 United Nations Volunteers
Total proposed	**3 512**	**1 ASG, 1 D-2, 8 D-1, 31 P-5, 81 P-4, 168 P-3, 44 P-2/1, 799 Field Service, 1 General Service, 1,863 national General Service, 46 national Professional Officers, 469 United Nations Volunteers**

65. The Advisory Committee notes that the UNAMID support component is proposed to be headed by a Deputy Joint Special Representative for Operations and Administration at the Assistant Secretary-General level, to be supported by a Director of Administration at the D-2 level. The functions are described in paragraphs 142, 143 and 148 of the Secretary-General's report (A/62/380). The Committee was informed that the title and level of the post at the Assistant Secretary-General level was the result of discussions between the African Union and the United Nations aimed at finding an appropriate mechanism allowing for the strategic management of the missions resources within a consultative framework of the two entities.

66. **The Advisory Committee notes that similar responsibilities are headed at the D-2 level in other large missions and does not see the need for additional bureaucratic layers in the support component of the mission. The Committee is also of the view that interaction with African Union headquarters in Addis Ababa can be ensured by the Head of the support component (D-1) proposed in the Joint Support and Coordination Mechanism to be based in Addis Ababa to serve as the main interlocutor with the African Union (see para. 48 above). The Committee therefore recommends against establishing the post at the level of Assistant Secretary-General and that the functions be carried out by the Director of Administration (D-2). Accordingly, the Committee recommends against the nine posts proposed in the office of the Deputy Joint Special Representative for Operations and Administration (1 ASG, 1 P-5, 2 P-4, 2 Field Service, 3 national General Service).**

67. The Director of Administration is supported by a Deputy (D-1 level), who coordinates with the heads of the four main services (Administrative Services, Procurement and Contracts Management Services, Integrated Support Services and Communications and Information Technology Services headed at the D-1 level), and directly supervises the Nyala Logistics Base (headed at the P-5 level) and the Senior

Administrative Officers in the three regional offices (P-5 level post both in El Fasher and El Geneina and P-4 level post in Zalingei) (see also para. 39 above). **The Advisory Committee recommends acceptance of these proposals.**

68. The staffing resources proposed for Administrative Services (474 posts), Procurement and Contracts Services (76 posts), Integrated Support Services (1,711) and the Communications and Information Technology Services (438 posts) are described in paragraphs 177-238 of the Secretary-General's report (A/62/380). **The Advisory Committee is not convinced of the need for the Chief of the Communications and Information Technology Services post at the D-1 level. The Committee recommends that the level of the post be set at the P-5 level, as is the case in other large missions such as the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and UNMIS. The Committee also cautions against the application of templates in the support structures at headquarters and field offices and therefore recommends an overall review and streamlining of the number of posts proposed in this component, in time for the next budget submissions.**

69. The Advisory Committee notes that UNAMID is proposing a total of 37 support staff to be located at Port Sudan and 45 at El Obeid. The Committee notes that UNMIS, for the period 2007/08, has 60 such posts in Port Sudan and 380 in El Obeid. The Committee enquired about potential areas of common services and cooperation with UNMIS, as well as associated cost-sharing arrangements. The Committee was informed that common services with UNMIS include the utilization of UNMIS air assets on a reimbursable basis and co-location of offices in Port Sudan, El Obeid and Khartoum. Upon enquiry, the Committee was informed that the UNAMID budget proposal provides for additional staff required to perform UNAMID functions at these offices in view of the additional volume of work that will arise, but that these staff will report within the existing UNMIS management structures, rather than creating new ones. In addition 32 support staff are also proposed to be located in Khartoum. The Advisory Committee is aware of the circumstances that led to the Security Council's decision to establish a second mission in the Sudan (UNAMID). **The Committee is of the view that, in the areas of support functions of the two missions, the scope for synergies and cooperation has not been fully analysed (see para. 34 above). Against this backdrop, the Committee requests that all possibilities for synergies be explored and submitted in the context of the budgets for both missions for 2008/09.**

70. The Conduct and Discipline Unit is proposed to be headed at the D-1 level, reporting directly to the Joint Special Representative. The Unit includes 27 posts (15 international and 12 national) (see A/62/380, paras. 163-170). Upon enquiry, the Advisory Committee was informed that the proposal for the posts took into account the presence of AMIS troops already in the mission area and the intention to distribute personnel from the start-up phase throughout the mission area. The Committee also notes that, in view of the large number of personnel and the long distance between them, it is intended to distribute personnel at all three regional offices and other areas, from the start-up phase, with a presence in El Obeid for training purposes of incoming personnel to the mission area. **The Committee is of the opinion, however, that the level of the post of the Head of the Office at headquarters should be set at the P-5 level at this stage and the further deployment of personnel justified in terms of actual workload and experience**

gained during the first few months of operation. As a consequence, it does not recommend the post of a Senior Conduct and Discipline Officer (P-5) in El Fasher, proposed to act as Deputy.

71. An HIV/AIDS Unit is proposed to design and implement a comprehensive awareness and prevention programme for the mission's personnel by providing ongoing awareness training, keeping up with troop rotations. The staffing for the Unit comprises 23 proposed posts, including a P-5 post for the head of the Office: 7 at headquarters (3 international, 3 national and 1 United Nations Volunteer) and 16 in the field offices (1 international, 8 national and 7 United Nations Volunteers) (see A/62/380, paras. 171-176). Upon enquiry, the Advisory Committee was informed that the estimates for neighbouring Chad and the Central African Republic for HIV prevalence are 4.8 and 13.4 per cent, respectively. Given the high level of risk exposure and the fact that peacekeepers come from areas with both high and low HIV prevalence, the mission's efforts must be focused on sensitizing personnel about the risks involved.

72. A dedicated integrated operational team is proposed to be established at United Nations headquarters to oversee the operations and deployment of UNAMID. The dedicated integrated operational team would comprise 18 posts (1 D-1, 5 P-5, 9 P-4, 1 P-3, 2 General Service), of which 5 are existing posts in the Office of Operations (including the D-1 Team Leader, 3 Political Affairs Officers and 1 Administrative Assistant) and 13 are new posts requested for additional political officers and specialists to be funded under UNAMID resources for the period from 1 July 2007 to 30 June 2008. They would be requested under the support account budget thereafter, as required (A/62/380, para. 147). Upon enquiry, the Advisory Committee was provided with the following proposed configuration of the team:

- Darfur team leader (2 posts): 1 D-1 and 1 General Service existing posts in the Africa I Division
- Political affairs (6 posts): 5 Political Affairs Officers (of which 1 P-5, 1 P-4, 1 P-3 are existing posts in the Africa I Division and 2 P-4 are additional posts being requested) and 1 Administrative Assistant (1 additional General Service post requested)
- Specialists (10 posts): three military specialists (1 P-5 and 2 P-4 posts requested); three police specialists (1 P-5 and 2 P-4 requested); four support specialists (1 P-5 and 1 P-4 Logistics Officers and 1 P-5 and 1 P-4 Administrative Officers requested)

73. The Advisory Committee recalls that the General Assembly, in its resolution 61/279 on strengthening the capacity of the United Nations to manage and sustain peacekeeping operations, approved 25 posts (13 P-5 and 12 P-4) for the integrated operational teams, out of the 42 posts requested (23 P-5, 12 P-4, 7 P-3, 7 General Service (Other level)), as well as one D-1 post for a Principal Officer/Team Leader for the Africa I Division, out of a total of four additional posts requested (2 D-1, 2 General Service (Other level)). The Committee recalls that the initial 42 posts requested related to the proposal to establish seven operational teams (2 each in Africa I, Africa II and Asia and Middle East Divisions and 1 in the Europe and Latin America Division). The Committee provided its observations and recommendations on this matter in its report (see A/61/937, paras. 58-63).

74. Upon enquiry, the Advisory Committee was informed that it has been decided to provide all regional divisions with integrated operational team capacity, and that six teams of mixed models would be simultaneously launched (two full complement teams in Africa I, one to deal with Darfur and another to focus on UNMIS and other missions; two full-complement teams in Africa II; one full-complement team in the Europe and Latin America Division; and one in the Asia and Middle East Division, with specialist officers shared among two sub-teams, one led by a D-1, the other by a P-5). However, the Committee was also informed that the 25 related posts approved in General Assembly resolution 61/279 had been classified and advertised for selection of candidates and that the D-1 post for the Africa I Division was currently under recruitment, with additional new staff expected to be on board as at 1 January 2008. Furthermore, the Committee was told that the Darfur integrated operational team would be operational immediately through redeployment of existing staff. **The Committee is of the opinion that it is premature to request additional resources for the Darfur integrated operational team since the resources provided under General Assembly resolution 61/279 have not been fully utilized. The Committee recommends that the integrated operational team for Darfur be established from existing resources and that information be provided in future on the basis of experience achieved to date.**

3. Operational costs

75. As indicated in paragraph 21 above, the proposed operational costs for UNAMID for the period from 1 July 2007 to 30 June 2008 of $1,066,794,100 constitute 72 per cent of the budget. Most of the resources proposed under operational costs relate to requirements under facilities and infrastructure ($729,973,500), air transportation ($105,474,100), ground transportation ($81,600,000), communications ($62,574,300) and information technology ($34,609,400). The Committee has already reflected its view on the provision for general temporary assistance positions ($4,743,100) in paragraphs 32 and 33 above.

76. As indicated in the Secretary-General's report (A/62/380), there are many operational difficulties in the mission area owing to the underdeveloped state of the infrastructure. Large-scale infrastructure construction and rehabilitation projects are required, immediately in many cases and within tight deadlines, in order to support the rapid deployment of both military and police personnel during the start-up phase (site preparation and erection of prefabricated units for office and living accommodation, construction of the logistics base transit camps, movement and control terminals, warehouse facilities and training centres in Nyala, El Fasher, El Geneina and Zalingei). Scarcity of water is an important factor, calling for drilling for underground water, installation of purification plants and conservation, through the establishment of water storage farms at each camp site. The difficult terrain inhibits ground movement, requiring greater reliance on air operations. Also required, inter alia, are the extension and repair of airfields and roads (particularly major supply routes), the expansion and upgrading of 34 AMIS sites and the construction of 68 police office facilities at sites for internally displaced persons.

77. The resources proposed under facilities and infrastructure for UNAMID for the period from 1 July 2007 to 30 June 2008 amount to $729,973,500. Upon enquiry, the Advisory Committee was informed that of this total, an amount of $691,020,000, or 95 per cent, related to non-recurrent expenditures associated with phase I of a two-year plan to establish the mission's facilities in Darfur (see annex VII). The

Committee requested details on the planned outputs of engineering projects envisaged and the breakdown of the associated projected charges. The Committee notes that the cost of such projects is estimated at $662,579,600 for 2007/08 (phase I), while an amount of $361,972,000 is projected for 2008/09 (phase II) (see annex VIII).

78. The Advisory Committee notes that, in his letter to the President of the General Assembly (A/62/379), the Secretary-General indicated that he had authorized a number of extraordinary measures with a view to expediting the procurement mechanism (see listed measures (m) to (p) in the letter). One of those measures includes the "entering into non-competitive, single-source contract(s), for the provision of logistics support in the short term, subject to a review by the Headquarters Committee on Contracts".[1]

79. In this connection, the Advisory Committee was informed that, following negotiations on the original bid valued at $700 million, a contract was awarded to PAE/Lockheed in the value of $250 million for a six-month period, with two possible extension options of three months each. The Committee was also informed that the contract had been signed on 15 October 2007. The related requirements relate to the heavy support package (4,100 strength), for which the United Nations and the African Union intended to have a mandate by March 2007 and start deployment by June 2007. The Secretariat has indicated that the Government of the Sudan gave its approval for the heavy support package in April and for the troop-contributing countries in July 2007, leaving a very limited window to tender a construction and support package of this magnitude, which in normal circumstances would require six to eight months. Upon enquiry, the Committee was provided with an indicative breakdown by object class of the scope of services covered by the contract as included in the proposed budget for the period 2007/08:

(Millions of United States dollars, rounded)

	Proposed cost estimates 2007/08	*Contract awarded*
Military contingents	237.7	5.0
Facilities and infrastructure	730.0	238.6[a]
Ground transportation	81.6	0.3
Air transportation	105.5	3.8
Medical	9.0	2.7
Total	**1 158.8**	**250.4**

[a] Includes construction services for an amount of $235.6 million.

[1] The Financial Regulations and Rules of the United Nations allow the Under-Secretary-General for Management to waive formal methods of solicitation in the best interest of the United Nations when there is an exigency for the requirement (Financial rule 105.16 (a) (vii). The Under-Secretary-General is required to record the reasons in writing and may then award a procurement contract, either on the basis of an informal method of solicitation or on the basis of a directly negotiated contract, to a qualified vendor whose offer substantially conforms to the requirement at an acceptable price (Financial rule 105.16 (b)).

80. Upon enquiry, the Advisory Committee was also informed that the $250 million was a "not to exceed" amount. The price is actually component-based ("a catalog-type"), meaning that the United Nations pays only for those goods and services actually ordered, delivered and approved for payment.

81. The Advisory Committee was also informed that the two three-month extensions were included to provide for contingencies and to ensure continuity of service in case the competitive process took more than six months. **The Committee stresses the importance of ensuring effective international competition from all qualified vendors on a wide geographical basis for provision of the full range of goods and services to be procured at the conclusion of the sole source contract.** The Committee was informed that on 9 October the Procurement Division had posted on its website a request for expressions of interest regarding provision for multifunctional logistics services for Darfur, Chad/Central African Republic and Somalia.

82. The Advisory Committee notes that the strength of the Procurement Division has been increased both under the regular and the peacekeeping budgets for the past two years. This should have facilitated action based on advance planning. Upon enquiry, the Committee was informed that as at 30 June 2007 there were 153 applicants on the roster for mission posts relating to procurement. This is yet another indication that even at the field level, the procurement function could have been launched without delay. In addition, the existing global and systems contracts could have been utilized to meet the most urgent needs of the mission. **Therefore, the Committee recommends that immediate action be taken to supply goods and services using the appropriate mechanisms so as to avoid extension of the present contract.**

83. Resources amounting to $105,474,100 are proposed for air operations for the period 2007/08 to provide for the rental and operation of 12 fixed-wing and 37 rotary-wing aircraft and related costs. The Advisory Committee notes that four fixed-wing aircraft have been provided to UNAMID by UNMIS. In addition, UNAMID requirements include cost-sharing arrangements between UNMIS and UNAMID on a 60-40 per cent basis for the use of six fixed-wing and two rotary-wing aircraft. The Advisory Committee was informed that this was a temporary support measure and that long-term support would be worked out and further refined in the budget proposals for both missions for 2008/09. As to the status of deployment, the Committee was informed that 8 rotary-wing aircraft would be deployed by 15 November, 12 by 30 November and 6 by December 2007. The budget provides for 5,286 flight-hours for fixed-wing and 13,635 flight-hours for rotary-wing aircraft. The Committee was informed that these flight-hours are considered adequate and that aircraft have been contracted commercially in the absence of military helicopters. Upon deployment of military helicopters, the contracted helicopters will be phased out (see also para. 25 above).

84. The Advisory Committee recalls that, in the context of the budget for the United Nations Logistics Base at Brindisi, Italy (UNLB), the Secretary-General had proposed to establish a strategic air operations centre for peacekeeping operations (see A/60/715 and A/61/752). The Committee is of the view that the centre could assist UNAMID during the start-up period until the mission's own air operations centre is fully functional. Furthermore, as noted above UNMIS is also providing assistance and resources. **The Committee recommends that in the long run, the**

Secretary-General consider adopting a regional approach with one air operations centre covering both UNMIS and UNAMID.

85. The Advisory Committee sought clarification as to the authorization to redeploy United Nations leased aircraft from other missions indicated in the Secretary-General's letter (see A/62/379, item (q) in the list of measures). The Committee was informed that all United Nations air charter contracts had a clause agreeing to a change of the main operational base for the aircraft contracted or for optional aircraft on the contract, allowing flexibility of movement to other locations having such requirements, resulting from short-term operational requirements or emergencies warranting such support in a short time frame. Recent cases of redeployment include two helicopters from MONUC to UNIFIL and the United Nations Integrated Office in Burundi, two from MONUC to the United Nations Mission in Nepal, one from the United Nations Integrated Office in Sierra Leone to the United Nations Assistance Mission in Afghanistan (UNAMA), and one fixed-wing aircraft from the United Nations Mission in Ethiopia and Eritrea to UNAMA.

86. The proposed requirements for ground transportation of $81,600,000 include requirements of $69,524,100 for the acquisition of 1,819 vehicles. A total fleet of 2,278 is proposed (A/62/380, para. 277). The resources proposed for communications and information technology amount to $62,574,300 and $34,609,400, respectively. These resources include, respectively, an amount of $39,815,200 and of $25,155,600 for the acquisition of communications equipment (A/62/380, paras. 280 and 281).

87. The Advisory Committee requested information as to equipment acquired from the strategic deployment stocks. The Committee was informed that in the period 2006/07, these shipments in respect of the heavy support package amounted to $23.6 million. For the period 2007/08, the acquisitions of these stocks are estimated at $1 million for information technology equipment, $2 million for communications equipment, $634,000 for public information equipment and $40,000 for geographic information services.

88. The Advisory Committee is aware that, given the prevailing circumstances, the Secretary-General is in the process of updating assumptions concerning the schedule of deployments for all aspects of the mission. **In this context, the capacity of the mission to effectively utilize the full amount of resources for operational costs currently budgeted for 2007/08 needs to be rigorously reviewed. The Committee recommends that the Secretary-General provide directly to the General Assembly a detailed update (including the phase-in of deployment), so that resource requests can be reduced accordingly.**

89. **Moreover, the use of resources under operational costs should be strictly monitored and comprehensive information provided in the performance report. The Advisory Committee expects that requests under operational costs in the 2008/09 budget will reflect refinements on the basis of experience gained and further review.**

IV. Conclusion

90. **The Advisory Committee underscores that UNAMID presents greater than usual management challenges and risks, because of prevailing circumstances and the high level of procurement and infrastructure development required. The Committee emphasizes the need for the Secretary-General to ensure that these risks are managed prudently.**

91. The action to be taken by the General Assembly in connection with the financing of UNAMID for the period from 1 July 2007 to 30 June 2008 is indicated in paragraph 286 of the Secretary-General's report (A/62/380). **On the basis of its recommendations in paragraphs 36-74 above, the Advisory Committee recommends that the budget requirements for UNAMID for the period from 1 July 2007 to 30 June 2008 be reduced to $1,476,622,900. In addition, as noted in the paragraphs above, the Committee has doubts about the proposed budgeted pace of deployment of personnel and operational costs. Furthermore, based on its experience in observing the pace of deployment of other large missions, the Committee believes that the level of the proposed budget exceeds requirements for the period from 1 July 2007 to 30 June 2008 and should, therefore, be further reduced by $150 million. Accordingly, the Committee recommends that the budget for UNAMID for the period from 1 July 2007 to 30 June 2008 be reduced to $1,326,622,900.**

Documentation

- Proposed budget for the African Union-United Nations Hybrid Operation in Darfur for the period from 1 July 2007 to 30 June 2008: report of the Secretary-General (A/62/380)
- Letter dated 2 October 2007 from the Secretary-General to the President of the General Assembly (A/62/379)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2005 to 30 June 2006 and proposed budget for the period from 1 July 2007 to 30 June 2008 of the United Nations Mission in the Sudan (A/61/852/Add.13)
- Report of the Secretary-General and the Chairperson of the African Union Commission on the hybrid operation in Darfur (S/2007/307/Rev.1)
- Security Council resolution 1769 (2007) of 31 July 2007
- Reports of the Secretary-General on the deployment of the African Union-United Nations Hybrid Operation in Darfur (S/2007/517 and Corr.1, and S/2007/596)

Annex I

Light and heavy support packages implemented by the United Nations Mission in the Sudan: actual expenditures to 30 June 2007 and projected expenditures for the period from 1 July to 31 December 2007

(Thousands of United States dollars)

Category	*1 July 2006 to 30 June 2007 (actual)*[a]	*1 July 2007 to 31 December 2007 (projected)*[b]
Military and police personnel		
Military observers	—	—
Military contingents	1 747.6	58 295.1
United Nations police	775.9	1 710.8
Formed police units	—	3 108.5
Subtotal	**2 523.5**	**63 114.4**
Civilian personnel		
International staff	—	—
National staff	—	—
United Nations Volunteers	43.9	1 899.7
Subtotal	**43.9**	**1 899.7**
Operational costs		
General temporary assistance	3 019.1	22 269.2
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	—	235.0
Official travel	182.2	286.0
Facilities and infrastructure	38 705.5	68 837.9
Ground transportation	7 469.5	15 912.9
Air transportation	3 022.1	15 554.2
Naval transportation	—	—
Communications	15 782.7	11 670.1
Information technology	8 907.2	9 270.9
Medical	936.3	849.3
Special equipment	1 021.4	98.1
Other supplies, services and equipment	6 205.5	9 373.7
Quick-impact projects	—	—
Subtotal	**85 251.5**	**154 357.3**
Gross requirements	**87 818.9**	**219 371.4**

Category	*1 July 2006 to 30 June 2007 (actual)*[a]	*1 July 2007 to 31 December 2007 (projected)*[b]
Staff assessment income	388.2	5 760.7
Net requirements	**87 430.7**	**213 610.7**
Voluntary contributions in kind (budgeted)	—	—
Total requirements	**87 818.9**	**219 371.4**

Note: The expenditures incurred by UNMIS during the 2007/08 period will be transferred to UNAMID upon approval of the UNAMID budget.

[a] Light support packages estimated at $21.2 million (S/2006/591/Add.1), plus part of the heavy support packages of $68.6 million: total allotted $89.8 million.

[b] Heavy support packages estimated at a total of $287.9 million (S/2007/104), minus the $68.6 million, leaves balance of $219.3 million available for the current period.

Annex II

Commitment authority for the period from 31 July to 31 December 2007

(Thousands of United States dollars)

Category	*31 July 2007 to 31 December 2007 (projected)*
Military and police personnel	
Military observers	—
Military contingents[a]	25 014.4
United Nations police	—
Formed police units	—
Subtotal	**25 014.4**
Civilian personnel	
International staff	—
National staff	—
United Nations Volunteers	—
Subtotal	**—**
Operational costs	
General temporary assistance	673.8
Government-provided personnel	—
Civilian electoral observers	—
Consultants	—
Official travel	—
Facilities and infrastructure	14 311.8
Ground transportation	—
Air transportation	10 000.0
Naval transportation	—
Communications	—
Information technology	—
Medical	—
Special equipment	—
Other supplies, services and equipment	—
Quick-impact projects	—
Subtotal	**24 985.6**
Gross requirements	**50 000.0**
Staff assessment income	110.8
Net requirements	**49 889.2**
Voluntary contributions in kind (budgeted)	—
Total requirements	**50 000.0**

[a] Reimbursement of troop costs to AMIS troop-contributing countries for three months from 1 October to 31 December 2007.

Annex III

Military and police personnel for the African Union-United Nations Hybrid Operation in Darfur for the period from 1 July 2007 to 30 June 2008: actual and planned deployment of personnel

Category	***Total authorized*[a]**	*Monthly deployment (2007/08)*												*Difference between authorized and planned as at 30 June*		*Factor applied to cost estimates for budgetary purposes (percentage)*
		Jul.	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May.*	*Jun.*	*Number*	*Percentage*	
Military observers	**240**	—	—	—	—	—	—	—	30	90	120	150	210	30	13	15
Military contingents	**19 315**	90	105	105	7 687	8 918	10 113	11 061	12 521	13 896	15 536	16 809	18 453	862	4	45
United Nations police	**3 772**	39	44	49	49	89	178	1 728	1 810	2 037	2 157	2 386	2 627	1 145	30	25
Formed police units	**2 660**	—	—	49	45	185	370	605	745	930	1 210	1 490	1 770	890	33	25
Military and police personnel	**25 987**	**129**	**149**	**203**	**7 781**	**9 192**	**10 661**	**13 394**	**15 106**	**16 953**	**19 023**	**20 835**	**23 060**	**2 927**		

[a] Authorized strength as per Security Council resolution 1769 (2007).

Annex IV

Proposed civilian personnel establishment for the African Union-United Nations Hybrid Operation in Darfur for the period from 1 July 2007 to 30 June 2008: actual and planned deployment of personnel

Category	***Total proposed***	*Monthly deployment (2007/08)*												*Difference between authorized and planned as at 30 June*		*Factor applied to cost estimates for budgetary purposes (percentage)*
		Jul.	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May.*	*Jun.*	*Number*	*Percentage*	
International staff	**1 524**	80	130	156	229	308	387	630	695	754	818	878	940	584	38	5
National staff	**3 425**	151	214	279	367	490	547	1 045	1 251	1 455	1 659	1 863	2 062	1 363	40	0
United Nations Volunteers	**548**	80	80	100	120	140	160	197	267	337	417	487	548	—	0	40

Annex V

Proposed positions under general temporary assistance (operational costs) for the period from 1 July 2007 to 30 June 2008: actual and planned deployment of general temporary assistance personnel

		Monthly deployment (2007/08)												*Difference between authorized and planned*		*Factor applied to cost estimates for budgetary purposes (percentage)*
Category	***Total proposed***	*Jul.*	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May.*	*Jun.*	*Number*	*Percentage*	
International general temporary assistance[a]	**55**	27	27	27	46	55	55	37	37	37	37	37	37	18	33	40
National general temporary assistance	**30**	4	4	4	20	20	20	30	30	30	30	30	30	—	0	40
Total	**85**	**31**	**31**	**31**	**66**	**75**	**75**	**67**	**67**	**67**	**67**	**67**	**67**			

[a] Eighteen international posts (Joint Mediation Support Team) will be funded up to 31 December 2007.

Annex VI

Personnel from the United Nations funds, programmes and the specialized agencies and the International Organization for Migration deployed in Darfur

Name	*International staff*	*National staff*	*Total*
Food and Agriculture Organization of the United Nations	3	12	15
International Organization for Migration	5	24	29
United Nations Office for the Coordination of Humanitarian Affairs	18	18	36
United Nations Development Programme	17	16	33
Department of Safety and Security of the Secretariat	8	6	14
United Nations Population Fund	3	11	14
Office of the United Nations High Commissioner for Refugees	32	66	98
United Nations Children's Fund	20	56	76
United Nations Development Fund for Women	2	0	2
United Nations Joint Logistics Centre	4	2	6
United Nations Mine Action Service	3	1	4
World Food Programme	71	725	796
World Health Organization	9	87	96
Total	**195**	**1 024**	**1 219**

Annex VII

African Union-United Nations Hybrid Operation in Darfur: summary of financial resources proposed

(Thousands of United States dollars)

	Total requirements proposed in budget (1)	*Non-recurrent expenditures (2)*	*Recurrent expenditures (3)*
Operational costs			
Facilities and infrastructure			
Acquisition of prefabricated facilities	175 777.5	175 777.5	—
Acquisition of miscellaneous facilities and infrastructure	24 556.0	24 138.5	417.5
Acquisition of bridges for infrastructure	—		—
Acquisition of electrical equipment	3 188.2	3 188.2	—
Acquisition of refrigeration equipment	—	—	—
Acquisition of generators	27 723.6	24 951.2	2 772.4
Acquisition of water purification equipment	4 572.6	4 115.3	457.3
Acquisition of water and septic tank	10 158.6	9 142.7	1 015.9
Acquisition of accommodation equipment	1 859.1	1 673.2	185.9
Acquisition of fuel tank and pumps	991.2	991.2	—
Acquisition of office furniture	3 069.0	2 762.1	306.9
Acquisition of office equipment	454.0	408.6	45.4
Acquisition of field defence equipment	3 450.0	3 450.0	—
Acquisition of security and safety equipment	5 970.7	5 373.6	597.1
Acquisition of firefighting equipment	21.2	19.1	2.1
Rental of premises	411.0	—	411.0
Rental of office equipment	189.5	—	189.5
Utilities	3 103.4	3 103.4	—
Maintenance services	860.0	—	860.0
Security services	198.0	—	198.0
Alteration and renovation services	280.0	—	280.0
Construction services	389 605.5	389 605.5	—
Stationery and office supplies	1 189.8	—	1 189.8
Spare parts and supplies	5 947.2	5 352.5	594.7
Maintenance supplies	41.1	—	41.1
Field defence supplies	13 160.9	11 844.8	1 316.1
Petrol, oil and lubricants	43 873.1	25 123.4	18 749.7
Sanitation and cleaning materials	413.9	—	413.9
Contingent-owned equipment: self-sustainment	8 908.4	—	8 908.4
Total	**729 973.5**	**691 020.9**	**38 952.6**

Annex VIII

Engineering projects for the 2007/08 and 2008/09 periods

(Thousands of United States dollars)

	Project operational costs		*Total operational costs*
	Phase I (2007/08) (1)	*Phase II (2008/09) (2)*	*(3)=(1)+(2)*
Operational costs			
Facilities and infrastructure			
Acquisition of prefabricated facilities	175 777.5	30 000.0	205 777.5
Acquisition of miscellaneous facilities and infrastructure	24 138.5	2 000.0	26 138.5
Acquisition of electrical equipment	3 188.2	1 000.0	4 188.2
Acquisition of generators	27 723.6	2 000.0	29 723.6
Acquisition of water purification equipment	4 572.6	2 000.0	6 572.6
Acquisition of water and septic tank	10 158.6	2 000.0	12 158.6
Acquisition of accommodation equipment	172.5	172.0	344.5
Acquisition of field defence equipment	3 450.0	3 000.0	6 450.0
Rental of premises	400.0	600.0	1 000.0
Utilities	3 103.4	—	3 103.4
Maintenance services	860.0	5 000.0	5 860.0
Alteration and renovation services	280.0	280.0	560.0
Construction services	389 605.5	301 800.0	691 405.5
Spare parts and supplies	5 947.2	3 000.0	8 947.2
Maintenance supplies	41.1	120.0	161.1
Field defence supplies	13 160.9	9 000.0	22 160.9
Total, facilities and infrastructure	**662 579.6**	**361 972.0**	**1 024 551.6**

Note: Variances between the total projected charges for the 2007/08 period in the amount of $662.6 million and the total cost estimate under class "Facilities and infrastructure" ($730 million) are equipment, supplies and services which are not related to the engineering projects.

Planned outputs

Phase I (2007/08)

- Site preparation and erection of prefabricated units for office and living accommodation, logistics base, movement and control terminals, warehouse facilities in Nyala, El Fasher, El Geneina, Zalingei and El Obeid, including site levelling, soil consolidation, peripheral wall construction, installation of water/electrical connections, communications cabling and wiring systems, installation of generators and main panels, sewages systems, and so forth
- Extension and repair maintenance work on airfields in Nyala, El Fasher, Zalingei and construction of helipads within Darfur
- Drilling of 60 water wells and establishment of waste water treatment plants and water purification plants

- Expansion and upgrade of 34 AMIS sites
- Construction of 68 police station office facilities in internally displaced persons sites

Phase II (2008/09)

- Installation of services (electrical, plumbing) and ducting for communications networks, information technology networks, security installations, and so forth
- Installation of water irrigation systems and landscaping, including walkways, pathways, and so forth
- Establishment of security installations and systems for minimum operating security standards compliance. Boom gates, planter boxes, surveillance systems, security lighting, bollards, arrestors, communication systems, and so forth
- Installation of perimeter wall and area lighting for entire complex
- Sign posting of mission complex
- Testing and commissioning of entire mission complex
- Extension and repair maintenance work on airfields in all locations

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Review of the efficiency of the administrative and financial functioning of the United Nations

Proposed programme budget for the biennium 2008-2009

Joint Inspection Unit

United Nations System Staff Medical Coverage

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "United Nations System Staff Medical Coverage" (JIU/REP/2007/2).

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JIU/REP/2007/2

UNITED NATIONS SYSTEM

STAFF MEDICAL COVERAGE

Prepared by

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Geneva 2007

Joint Inspection Unit

United Nations

EXECUTIVE SUMMARY

Objective

To provide Member States with an overview of the United Nations system staff medical coverage and to suggest ways to deal with the emerging problems faced by the health insurance schemes of the United Nations system, resulting from the soaring cost of medical coverage and the need to guarantee adequate medical coverage to their staff and retirees and their dependants, in the context of zero budget growth practices adopted within the United Nations system.

Main findings and conclusions

Since the issuance of the original Joint Inspection Unit (JIU) note on this subject in 1977, the cost of providing health coverage to staff members, retirees and their eligible dependants has grown exponentially. Between 1975 and 2004, there was a 122 per cent increase in the number of contributors to the staff health insurance schemes. The cost of providing health insurance grew by 1,387 per cent for the same period, and the cost per person increased from US$ 540 to US$ 3,620 between 1975 and 2004.

Several main factors continue to affect the increase in costs of the staff health insurance schemes: the rising cost of medical benefits worldwide, in particular hospital charges; the ageing of the international community demanding services that they are entitled to with their adverse financial consequences; the systematic increase in the frequency of access to medical care; and currency fluctuations.

Although staff health insurance constitutes the third most important and costly element of the total compensation package in the United Nations system, after salary and allowances and pension, it is not considered a "common system" matter. As a result, United Nations system organizations have established, some individually and some collectively, health insurance schemes with wide disparities in the cost and scope of coverage, conditions for eligibility, rates of contribution and medical benefits. The health insurance schemes, initially at the level of the duty station, need to be harmonized. Member States do not exercise adequate oversight on health insurance related issues and do not play any role in determining the health insurance related conditions and benefits across the United Nations system.

The fastest growing element in health coverage is the after-service health insurance (ASHI). The issues of determining, recognizing and funding the accrued liabilities for the ASHI is yet to be resolved. In the meantime, the present actuarial estimates of the accrued liability of future benefits (net of retiree contributions) at 31 December 2004 for United Nations system organizations is estimated at US$ 4.2 billion, out of which more than US$ 3.6 billion is unfunded.

The United Nations General Assembly in its resolution 60/255 recognized the end-of-service accrued liabilities for the United Nations, and requested the Secretary-General to disclose the liabilities in the financial statements. The United Nations system needs to embark on a long-term funding strategy to meet these long-term liabilities. Given the zero budget growth practices of the United Nations system, Member States should start funding specifically for the accrued liabilities.

The option to establish a common fund, pooling the reserves already established/to be established by the individual organizations to cover ASHI long-term liabilities, and investing them under the responsibility of the United Nations Joint Staff Pension Fund (UNJSPF) needs to be explored. This would minimise investment risks, obtain managerial and financial advantage for the organizations and improve investment returns.

The governing bodies of the United Nations system organizations should develop and adopt sound strategies to contain the costs of health insurance schemes. There are numerous options, inter alia, the extension of the network of preferred providers at negotiated tariffs, strengthening and expanding in-house medical facilities to provide primary care and referral services for staff members, retirees and their dependants, establishing in-house pharmacies, and facilitating access to national health services in conjunction with the health insurance schemes available to international staff.

Listed below are the recommendations for consideration by the legislative bodies. Another recommendation (Recommendation 7), proposed for the consideration of executive heads, can be found in the main text of the report.

Recommendations for consideration by legislative organs

Recommendation 1

The legislative bodies of the United Nations system organizations should formally recognize staff health insurance as an important integral part of the common system. They should request the International Civil Service Commission (ICSC) to undertake periodic reviews with a view to making recommendations to the General Assembly.

Recommendation 2

In this regard, the General Assembly should establish, initially, an ad hoc advisory body to assist ICSC in formulating broader principles, policies and standards for staff health insurance schemes. The advisory body should be composed of representatives of Member States, officials of the United Nations system organizations, elected representative(s) of the staff, and elected representative(s) of the retirees, and be assisted by experts in health and insurance matters from the private sector.

Recommendation 3

The legislative bodies of each United Nations system organization should request their respective executive heads to harmonize the existing health insurance schemes, initially at the level of the duty station, and in the longer term across the common system, relating to scope of coverage, contributions and benefits and to establish periodic reporting on health insurance related information to the legislative bodies.

Recommendation 4

The legislative bodies of each United Nations organization should request their respective executive heads to undertake periodic actuarial studies based on a uniform system-wide methodology to determine the extent of accrued ASHI liabilities and to disclose the liabilities in the financial statements.

Recommendation 5

The legislative bodies of each organization should:
(a) Request their respective executive heads to put forward proposals for funding the ASHI liabilities;
(b) Provide adequate financing to meet the liabilities and establish a reserve for this purpose.

Recommendation 6

The United Nations General Assembly should establish a common fund to pool the reserves (existing and to be established), which should be invested in a manner similar to the assets of UNJSPF.

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LIST OF ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
ASHI	After-service health insurance
BMIP	Basic Medical Insurance Plan (FAO and WFP)
BOA	Board of Auditors
CCAQ	Consultative Committee on Administrative Questions
CEB	United Nations System Chief Executives Board for Coordination
FAO	Food and Agriculture Organization of the United Nations
FMIP	Full Medical Insurance Plan (UNOV and UNIDO)
GMIT	Group Medical Insurance for temporary staff (IAEA)
HIP	Health Insurance Plan for New York
HMO	Health Maintenance Organization
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
ILO	International Labour Organization
IMO	International Maritime Organization
IPSAS	International Public Sector Accounting Standards
ITU	International Telecommunication Union
JIU	Joint Inspection Unit
JMS	Joint Medical Service
MIP	Medical Insurance Plan (UNHCR)
MMBP	Major Medical Benefit Plan (FAO and WFP)
PPO	Preferred Provider Option
SHI	Staff Health Insurance (WHO)
SHIF	Staff Health Insurance Fund (ILO)
SMIP	Supplementary Medical Insurance Plan (Vienna)
SSA	Special Service Agreements
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNJSPF	United Nations Joint Staff Pension Fund
UNOG	United Nations Office at Geneva
UNOV	United Nations Office at Vienna
UNSMIS	United Nations Staff Mutual Insurance Society against Sickness and Accident
UPU	Universal Postal Union
WFP	World Food Programme
WGKK	Wiener Gebietskrankenkasse (Austrian national health insurance scheme)
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

I. INTRODUCTION

1. The Joint Inspection Unit (JIU) included a report on United Nations system staff medical coverage in its work programme for the year 2005.[1] The report was included on the basis of formal proposals by the International Atomic Energy Agency (IAEA) and the United Nations Industrial Development Organization (UNIDO). These organizations have asked for guidance on how to deal with the emerging problems faced by their health insurance schemes, resulting from the soaring costs of medical coverage and the need to guarantee medical coverage to their staff and retirees and their dependants, in the context of zero budget growth practices adopted within the United Nations system. Most of the United Nations organizations have from time to time encountered similar managerial, administrative and financial problems with their respective health insurance schemes.

2. Since the creation of the United Nations and its specialized agencies and IAEA, the question of health insurance for staff and their dependants has been the subject of many reviews by United Nations common system organs like the Administrative Committee on Coordination (ACC), now the United Nations System Chief Executives Board for Coordination (CEB), the Consultative Committee on Administrative Questions (CCAQ) and JIU. JIU conducted an in-depth review of the health insurance schemes of the organizations of the United Nations system in June 1977, the last such system-wide study on the subject. The 1977 review examined different key issues including types of schemes, structure of benefits, financial matters, and administrative and managerial issues.[2]

3. In 1977, the CCAQ set up a working group to prepare a common response to the recommendations contained in the JIU note. However, no information is available on the outcome of this working group. The findings, observations and recommendations of the 1977 JIU note remain relevant in today's context. Therefore, the Inspectors would like to recall some of them in this report, to draw the attention of the Members States and the United Nations system organizations to the persistent and continuing problems relating to the staff health insurance schemes.

4. The objective of this report is to provide Member States with an overview of United Nations system staff medical coverage, a comparison of it with the best practices in non-United Nations entities, and a number of viable options for more effectively controlling the concomitant budgetary outlays without negatively affecting this important element of the overall conditions of service in the United Nations system.

5. The methodology followed in preparing this report included questionnaires, interviews and in-depth analysis. Detailed questionnaires were sent to all participating organizations. On the basis of the responses received, the Inspectors conducted interviews with officials of the participating organizations, and also sought the views of other international organizations. As part of the review, the Inspectors visited organizations based in New York, Geneva, Vienna, Rome, London and Paris. The Inspectors also held discussions with officials of the World Bank, the International Monetary Fund, the European Commission, the Organisation for Economic Co-operation and Development and the European Space Agency, regarding the health insurance schemes in their organizations, for possible benchmarks and best practices. These discussions have been taken into consideration in finalizing the recommendations in this report. Comments on the draft report have been sought from participating organizations, as well as from the United Nations Joint Staff Pension Fund (UNJSPF) and the International Civil Service Commission (ICSC) and many organizations responded. Their comments were taken into account in finalizing the report.

6. In accordance with article 11.2 of the JIU statute, this draft report has been finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit.

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[1] A/60/34 (paragraphs 39 and 40).

[2] JIU/NOTE/77/2 Note on health insurance schemes in the United Nations system.

7. To facilitate the handling of the report and the implementation of its recommendations and the monitoring thereof, annex VII contains a table indicating whether the report is submitted to the organizations concerned for action or for information. The table identifies those recommendations relevant for each organization, specifying whether they require a decision by the legislative or governing body of the organization or can be acted upon by the executive head.

8. The Inspectors wish to express their appreciation to all who assisted them in the preparation of this report, and particularly to those who participated in the interviews and shared their knowledge and expertise.

II. HEALTH INSURANCE SCHEMES IN THE UNITED NATIONS SYSTEM

A. Growth of the cost of health insurance in the United Nations system

9. Since the establishment of the United Nations and its specialized agencies and IAEA, the staff regulations of these organizations have required that the executive head of the organization establish a scheme of social security for the staff, including provisions for health protection. An official, upon appointment to a post in the United Nations system, may become a member of a staff health insurance scheme. Such schemes provide them with insurance against medical expenses incurred as a result of illness, maternity or accident. In the early days of the United Nations, health insurance was made available to serving staff members only, and without benefit of any organizational subsidy. In resolution 1095 (XI) of 27 February 1957, the General Assembly authorized the sharing of the costs of health insurance by the organization on an approximately equal basis with participating staff members, subject to the provision that a larger subsidy would be granted to staff in the lower salary levels.

10. According to available information, the total number of contributors system-wide to these schemes was approximately 84,000 persons, and the annual cost exceeded US$ 305 million, as of 31 December 2004. The comparative percentage increase in the number of contributors and in the annual cost of the health insurance schemes to the organizations for 1997 and 2004 is shown in annex II. According to the JIU note of 1977, the number of contributors in 1975 was approximately 38,000, including 3,000 retirees, and the annual cost was approximately US$ 20.5 million. The percentage increase in the number of contributors since 1975 is about 122 per cent, whereas during the same period, the cost of health insurance schemes grew by 1,387 per cent. Based on the analysis, the Inspectors underscore the growing importance of health insurance coverage, the third most important element of the conditions of service after salary and allowances and pension, and caution that measures must be taken to contain the expected exponential growth in the cost of providing medical coverage for staff.

B. Lack of adequate oversight by Member States

11. Article 101 of the Charter of the United Nations establishes that, in determining conditions of service for its staff, the United Nations organizations should be guided by "the necessity of securing the highest standards of efficiency, competence and integrity". Enjoying a decent and equal level of social security is part of the basic expectations of any staff member joining the United Nations system. According to established international principles, notably those featured in relevant International Labour Organization (ILO) Conventions and Recommendations, as well as in the International Covenant on Economic, Social and Cultural Rights, decent social security schemes should ensure protection against risks or contingencies such as old age, disability, sickness, required health and medical care, and responsibility for the maintenance of children and other dependent family members.

12. All the organizations in the common system have some kind of health insurance scheme or arrangement. The Inspectors note the apparent lack of oversight by Member States in establishing health insurance schemes across the United Nations system. While they play an active role in determining the salary scales and other benefits including pension, Member States have not played any direct role in determining the health insurance benefits for staff members and retirees. This has been delegated to the respective secretariats of the organizations. Hence there are wide disparities throughout the system. Existing health insurance schemes show noticeable differences, even within the same duty station (New York, Geneva and Vienna), between local and non-local staff, between headquarters and field staff, as well as disparities among the provisions governing the contribution and reimbursement rates.

13. Since the beginning, health insurance has not been considered a common system matter. United Nations system organizations have resisted attempts by ICSC to consider the social security aspects of the conditions of service, in developing a methodology for total compensation comparisons. Similarly, ICSC declined to take a position when the General Assembly, in 1982, requested ICSC to examine the need for raising the contributions provided by the organizations of the common system for health insurance schemes. During a meeting with the Inspectors, the former chairperson of ICSC confirmed that health insurance is not considered to be part of the common system.

14. The Inspectors believe that it is rational that health insurance for staff members, like other common system benefits such as salaries and emoluments, grades and pension benefits, should be governed by consistent regulations. The Inspectors believe that disparities in the health insurance schemes run counter to the accepted principle of a common system for personnel questions, and reiterate that "It is desirable ... that the situation should be rectified in a way that makes for uniform treatment of the staff in the United Nations system in the matter of health insurance as part of the common system."[3] In this effort, Member States should play an active part in determining health insurance benefits, in order to ensure harmony among the various health insurance schemes, contain disparities and ensure economy in health insurance spending.

C. Comparative analysis of the health insurance schemes in the United Nations system

15. The United Nations system currently has 20 major health insurance schemes. A brief description of the important elements of these schemes is provided in annex I. The schemes are varied and differ substantially between organizations and duty stations, and sometimes within a duty station. There are different types of scheme:

- self-administered and self-financed schemes like the United Nations Medical Insurance Plan (MIP), the United Nations Staff Mutual Insurance Society against Sickness and Accident (UNSMIS) in the United Nations Office at Geneva (UNOG); the Staff Health Insurance (SHI) of the World Health Organization (WHO); the Staff Health Insurance Fund (SHIF) of ILO and the International Telecommunication Union (ITU); and the Medical Benefits Fund of the United Nations Educational, Scientific and Cultural Organization (UNESCO);
- self-financed schemes administered by third party commercial providers like Aetna, Blue Cross, Sun Life group and Vanbreda, as in United Nations Headquarters and field missions, the International Civil Aviation Organization (ICAO), the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP) and the World Intellectual Property Organization (WIPO) respectively;
- national or state schemes like the Austrian national health insurance scheme (Wiener Gebietskrankenkasse - WGKK) for some categories of staff in some duty stations.

D. Scope of coverage

16. The scope of coverage provided by the health insurance schemes is varied. All the organizations of the United Nations system provide health coverage in a single pool, as in annex IV, to all active staff and their dependants (both primary and secondary), and to retirees and their dependants. However, the criteria for eligibility to participate in the health insurance schemes varies in terms of the minimum period of appointment necessary to be eligible for participation. For example, a three-month contract is the minimum necessary in ICAO, while a six-month contract is required in most other organizations. Similarly, the eligibility criteria for retirees and their dependants vary, as shown in annex VI. With the exception of a few organizations like IAEA, ICAO and the International Maritime Organization (IMO), short-term staff, consultants and special service agreements (SSA) holders are covered by the respective staff health insurance schemes.

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[3] JIU/NOTE/77/2 (p. 30. para. 92).

17. Participation is compulsory in one of the basic health insurance schemes in most of the organizations. Exceptions are made for staff members who provide adequate evidence of coverage in any scheme outside of the United Nations schemes. Participation is voluntary in the supplementary schemes like the Major Medical Benefits Plan (MMBP) in Rome, or the Supplementary Medical Insurance Plan (SMIP) in Vienna. The supplementary schemes are designed to provide for expenses not covered under the basic schemes, and the staff member pays the full contribution. All the schemes provide global coverage with variations in benefits and reimbursement. However, the national schemes, like the Austrian national health insurance scheme (WGKK), provide coverage only in the European Union and in countries having a bilateral agreement on health insurance with the Republic of Austria.

E. Contributions

18. Currently, staff members pay a percentage or a fixed amount of the premium cost as their contribution, and the organizations subsidize the remainder of the cost. A comparative analysis of the share of the premium paid by staff members and retirees and by the organizations is provided in annex III. There are considerable differences between the staff/retirees and the organizations in the share of the premiums paid. Similarly, there are wide disparities in determining the cost of premiums. The Inspectors recognize that different medical cost environments determine the premium costs in a duty station, but in some duty stations e.g. Geneva, where similar benefits are offered by different organizations, there is no justification for differences in premium sharing between the staff member and the organization, and in the determination of premium costs. This is also true for some of the other duty stations where significant numbers of common system staff working for different organizations are stationed, and where those organizations operate their own healthcare schemes. The share of the premium paid and the premium costs should be harmonized within a duty station.

F. Benefits

19. In order to cope with increasing demands for benefits and services, health insurance schemes periodically revise their benefits structure. In this instance, the revision has mainly taken place in the level of benefits, for example long-term nursing services, dental care, optical appliances, etc. At the same time, new rules have been adopted with respect to benefits and medication. A comparative analysis of major benefits provided by the health insurance schemes across the United Nations system is provided in annex V.

20. All the schemes offer a free choice of providers, medical practitioners, pharmacists and medical establishments. There is no lifetime limit on reimbursement in any of the schemes, however there are limits to the annual reimbursement. The annual limit varies from US$ 1,000,000 provided by the FAO/WFP scheme to US$ 30,000 provided by WHO for its temporary staff during the first three months of their contract. In organizations like ICAO only certain benefits have ceilings or limitations per benefit year.

21. Most of the schemes provide 80 per cent reimbursement for fees for general practitioners, physicians, surgeons, psychiatrists, obstetricians and gynaecologists. Some schemes provide 100 per cent reimbursement and some offer 75 per cent. In any given duty station, the rates of reimbursement for specific services vary. In the New York schemes, 100 per cent is reimbursed under the Aetna Open Choice preferred provider organization (PPO) scheme (subject to annual deductible limits and co-insurance), whereas only 80 per cent is reimbursed in the other schemes. Similar disparities exist in the schemes in Geneva. For prescription drugs, the rate of reimbursement is 80 per cent. In some schemes, like in ICAO, brand name drugs are covered at 80 per cent and generic drugs are offered at 90 per cent.

22. Regarding outpatient services (laboratory tests, x-rays, artificial limbs, etc.) and institutional care, reimbursement rates vary from 75 to 100 per cent. Similar variations exist for

medical procedures like breast cancer screening, orthopaedics etc. The rates of reimbursement for nursing services show substantial variations among the schemes.

23. Hospital care, i.e. reimbursement of the daily charges for a stay in a hospital, clinic or other recognized medical institution, is a costly healthcare requirement, and there are wide differences between schemes. For example, in the United Nations, WHO, ILO and WIPO, 100 per cent is reimbursed for treatment in a public ward. The reimbursement for treatment in a private or semi-private room is varied, and ranges from 70 per cent in the Office of the United Nations High Commissioner for Refugees (UNHCR) MIP scheme, to 100 per cent in the WIPO scheme. Similarly, only some schemes provide the financial advances required by some hospitals for admission.

24. Reimbursement for dental care (routine periodic examinations, fillings, crowns, etc.) follows the established pattern of 80 per cent to 100 per cent among the schemes. However, the maximum annual rates of reimbursement show disparities. The WHO scheme provides a maximum of US$ 1,500 in a year, and US$ 30,000 if the dental care is required as a result of an accident. In the WIPO scheme, the reimbursement is 75 per cent up to a maximum of SwF 3,500 per year, whereas the reimbursement rate is 85 per cent if treated in France. Similarly, the reimbursements for orthodontics also show disparities.

G. Harmonization of the health insurance schemes

25. Considering the wide disparities in the contribution, benefits and scope of coverage among the various health insurance schemes, the Inspectors believe that harmonization of the health insurance regulations and benefits across the United Nations system is an option that needs to be taken up on a priority basis. The Inspectors are also concerned that the wide disparities may be an impediment to staff mobility among the organizations of the United Nations system.

26. The issue of harmonization of health insurance arrangements by United Nations organizations has been present from the early days of the United Nations system, when the organizations had to set up arrangements in this regard for their staff. In the 1950s and 1960s, the common system organs like CCAQ and ACC showed a continuing interest in the establishment of a common health insurance scheme for all the staff of the United Nations organizations. At its 13th session (September 1952), CCAQ "urged that consideration be given to the possibility, wherever an organization has a plan for its staff, of bringing into such a plan the staff of other member organizations in the same area. If two or more organizations ... have individual plans applicable to their staff, the possibility of having a single plan to cover all such staff should be studied".

27. JIU, having reviewed the different key issues of the United Nations system health insurance schemes in 1977, and noting "the complexity of the schemes and the labyrinth of complex regulations that form the basis of the schemes", regarded it as "a desirable aim that there should be a single scheme covering all international civil servants belonging to all United Nations organizations ... whether posted at the headquarters of the organizations or in the field". However, the Inspectors did not make this a recommendation as they believed that it could only remain an ideal, as practical problems had to be taken into consideration. Instead, they suggested that as a first step, the Geneva-based organizations could combine and provide a single health insurance scheme for all personnel serving in Geneva and in the field.

28. The Inspectors also advised "the creation of an Inter-Agency Health Insurance Committee to examine the findings outlined in [the note] and to devise a common system for health insurance which might be introduced first in Geneva, and later extended to other duty stations". The Inspectors suggested that the task of the proposed Committee would be to draw up plans for the creation of a joint health insurance self-administered scheme for all Geneva-based organizations, which should be the basis for an eventual European or regional scheme to include all United Nations organizations based in Europe. As a long- term objective, the Committee would establish

plans for designing a common benefits scheme, sufficiently flexible to take account of different health care patterns, with a view to establishing two schemes, one for North America and the other for the rest of the world.[4] As stated in paragraph 8 above, no concrete action was taken on the earlier JIU recommendations.

29. Reviewing the situation after 29 years, and based on numerous interviews and discussions with officials of various United Nations organizations in different duty stations, and the staff representatives of these organizations, the Inspectors conclude that it may still be feasible to establish a single global health insurance scheme for the entire United Nations system. This would be achievable in the long term after the harmonization of the schemes at the level of the duty station. In the course of interviewing for this report, the organizations stated that there are reasons for the existence of several schemes within the United Nations system. These reasons include the history of the organizations, the varying medical needs depending on the nature of the mandate and function of the individual organization, the cost-effectiveness of the individual schemes, and the medical practices and relevant legal regimes governing the medical profession in a duty station or host country.

30. Notwithstanding these reasons, the Inspectors are concerned at the disparities in the scope of coverage, benefits, level of reimbursement and the soaring cost of health protection, as illustrated in annex II, among the major health insurance schemes in the United Nations system. In the opinion of the Inspectors, all the schemes should provide staff members and their dependants with a comparable level of health security, irrespective of their category, level and duty station. The Inspectors also believe that the existence of so many schemes cannot continue to be justified on historical grounds and grounds of cost-effectiveness. Also, the existence of several schemes in the same duty station, as is the case in New York and Geneva, operating in the same medical and legal environment, cannot be justified. The Inspectors underscore the need to establish a single global health insurance scheme for the United Nations system, flexible enough to accommodate the varying needs of the organizations, and the medical and legal environments in which they operate. In this connection, the Inspectors wish to draw attention to the schemes provided by commercial providers with global coverage. As a first step towards achieving this objective, the Inspectors believe that the health insurance schemes across the United Nations system should be harmonized.

Recommendation 1

The legislative bodies of the United Nations system organizations should formally recognize staff health insurance as an important integral part of the common system. They should request ICSC to undertake periodic reviews with a view to making recommendations to the General Assembly.

Recommendation 2

In this regard, the General Assembly should establish, initially, an ad hoc advisory body to assist ICSC in formulating broader principles, policies and standards for staff health insurance schemes. The advisory body should be composed of representatives of Member States, officials of the United Nations system organizations, elected representative(s) of the staff, and elected representative(s) of the retirees, and be assisted by experts in health and insurance matters from the private sector.

[4] JIU/NOTE/77/2 (p. 34 recommendations).

Recommendation 3

The legislative bodies of each United Nations system organization should request their respective executive heads to harmonize the existing health insurance schemes, initially at the level of the duty station, and in the longer term across the common system, relating to scope of coverage, contributions and benefits, and to establish periodic reporting on health insurance related information to the legislative bodies.

III. AFTER-SERVICE HEALTH INSURANCE (ASHI) IN THE UNITED NATIONS SYSTEM

31. In the early 1950s, organizations like ILO extended the benefits of the medical insurance schemes, on an optional basis, to staff members upon their retirement from the service. Other United Nations organizations followed, and extended the medical insurance coverage to retired staff members and their dependants. In the United Nations, in a report submitted to the General Assembly at its twenty-first session (A/6491 and Corr. 1), the Secretary-General noted that the automatic termination of the medical coverage to retiring staff was "unduly restrictive", and suggested that after-service health protection should be extended to all retiring staff of the United Nations, on similar lines to the prevalent common practice among Member States to provide after-service health protection for national civil servants and members of their families. The General Assembly, at its 1501st plenary meeting on 20 December 1966, approved the establishment of the after-service health insurance programme.

32. In the beginning, there was no matching contribution by the organizations for the retirees. There was no subsidy and the retirees were required to contribute in full. However, this position changed in 1965, when ILO argued that "many retired officials and their survivors, whose financial position was less favourable than that of the serving officials, were required to devote to health protection a quite disproportionate part of their income as compared with serving officials ... the principle of social insurance which has been fully applied for active insured persons since 1958 and which implies the sharing of the costs, irrespective of whether those protected are good or bad risks, should be extended to retired officials and their survivors".[5] The ILO governing body approved the sharing of the cost of insuring the retired officials and subsequently other United Nations system organizations followed suit.

33. Currently, all the health insurance schemes in the United Nations system provide for cost-shared health insurance coverage to retirees and their dependants. In all the schemes, the health insurance coverage for retirees is optional, and available only as a continuation of previous coverage without interruption in a contributory health insurance plan of the United Nations system. In order to be enrolled in the after-service health insurance programme, the former staff member and his eligible dependants must all have been covered under such an insurance scheme at the time of the staff member's separation from service. At the time of separation, a staff member may switch from their current health insurance plan to another plan for retirement more appropriate to the location of his residence.

34. From its inception, the ASHI programme has grown substantially in the United Nations system in terms of both the number of participants and the cost. In the United Nations, the average after-service health insurance enrolment more than doubled in a period of ten years from 2,672 retirees in the biennium 1984-1985, to 7,105 retirees by the end of the 2002-2003 biennium. Over the same period, the United Nations share of the health insurance subsidy for retirees increased almost ten fold from US$ 6.9 million to US$ 67.7 million. Similar trends were noticed in the other organizations of the United Nations system. A combination of several elements, namely the demographic composition of the insured population; the growing proportion of the enrolled retirees; increased life expectancy; and the escalation of medical costs, has led to an inexorable cost-push impact on health insurance costs and the related contributions of participants and the organizations. In view of historical trends, the Inspectors estimate that enrolments and medical costs will continue to grow in the future.

[5] ILO G.B.162/FA/D.15/19/ 162 Session May 1965.

A. Financing the ASHI programme

35. In addition to the cost of the premiums paid by organizations to cover retirees, the major issue of the ASHI programme relates to its accrued liability and its funding. Accrued liability for ASHI represents the present value of future benefits for which active staff and retirees have already rendered service. In many United Nations organizations, the resources are appropriated biennially and after-service health benefits are accounted for on a "pay-as-you-go" or cash basis. In many organizations the expenditures relating to the ASHI schemes are not separately identified within staff costs. In other organizations the expenditures are specifically identified. Therefore it is difficult to ascertain the extent of the subsidy paid for ASHI on a system-wide basis. The Inspectors note that the amounts appropriated do not include funding for the accrued liability for after-service health benefits earned by staff members during active service.

36. The issue of funding for the accrued liabilities for after-service health benefits has been under discussion in the inter-agency bodies for some years. However, a solution on how to deal with this issue has not yet fully emerged. The Advisory Committee on Administrative and Budgetary Questions (ACABQ), in its review of the proposed programme budgets for the biennium 1998-1999,[6] raised the issue concerning the accrued liability for ASHI benefits. The Committee requested that the liability be addressed on a system-wide basis in a report of the Secretary-General. The Inspectors welcome the recent proposals put forward by the Secretary-General in his report A/61/730 "Liabilities and proposed funding for after-service health insurance benefits".[7]

37. The Board of Auditors (BOA) emphasized (A/57/201) the urgency for all organizations to recognize end-of-service benefit liabilities, and disclose them in the financial statements. Furthermore, the General Assembly requested the Secretary-General, in its resolution 58/249 A of 23 December 2003, to report on the full extent of the unfunded staff termination and post-service liabilities, and to propose measures towards fully funding such liabilities.

B. Extent of liability in the United Nations system

38. Although United Nations system organizations have undertaken actuarial studies, only some undertake them on a periodic basis, as shown in annex VI, to determine the extent of the accrued liability for ASHI. The liability is disclosed in the notes to the financial statements and updated in the subsequent biennial statements. Based on responses to the JIU questionnaire, the Inspectors note that organizations have engaged the services of private consultants and firms to undertake the actuarial studies. These private firms have uniformly adopted the International Accounting Standards (IAS 19) with variations in both the approach and assumptions used to determine the extent of the liabilities. The Inspectors believe that a uniform and consistent approach and assumptions for a system-wide actuarial study, on the same lines as UNJSPF studies, would be beneficial and cost-effective.

39. Based on the actuarial studies done by the organizations, the present value of the accrued liability of future benefits (net of retiree contributions) as of 31 December 2004 is estimated to be US$ 4.3 billion, as shown in annex VI. This estimate will increase once all the organizations complete the actuarial study of their liabilities and make projections as of December 2005.

C. Funding the ASHI liabilities

40. Given the significance of the liabilities involved, a number of organizations have recognized their ASHI liabilities and are attempting to identify ways and means to fund the accrued liabilities, as shown in annex VI. No organization in the United Nations system has established full

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[6] Official Records of the General Assembly, Fifty-second session, Supplement No.7 (A/52/7/Rev.1) para. X.25.

[7] Covers the United Nations, the International Criminal Tribunal for the Former Yugoslavia, the International Criminal Tribunal for Rwanda and the United Nations Compensation Commission.

funding for the accrued liabilities. Ten organizations that had been accruing liabilities have not yet started allocating resources to fund these liabilities. In contrast, in recent years, organizations like the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), FAO and WFP have been allocating resources to partially fund these liabilities. UNDP has allocated US$ 54 million for the bienniums ended 31 December 2001 and 2003. UNICEF established a reserve of US$ 30 million in 2003 and intends to make annual contributions to fully fund its liability. Since 1998, FAO and WFP have been allocating a portion of their general reserve to after-service medical care schemes, which has been earmarked for the financing of all staff related schemes. The self-administered schemes of WHO and UNOG have established reserves, as required under their respective statutes, to cover the expected future cost of benefits to retirees. The funding set aside to cover the liability is some US$ 632 million and constitutes approximately 15 per cent of the recognized liabilities as shown in annex VI. In the United Nations system, the unfunded ASHI liabilities of the health insurance schemes remain significantly in excess of the funding provided so far.

41. The Inspectors also note the adoption of International Public Sector Accounting Standards (IPSAS) by the United Nations system and their planned phased implementation by 1 January 2010. One of the benefits of adopting internationally recognized accounting standards is that of fairly reflecting the obligations of the United Nations system arising from post-retirement benefits, particularly ASHI liabilities.

42. Considering the magnitude of the liabilities, the Inspectors believe that the United Nations system organizations should embark on a long-term funding strategy to meet their long-term liabilities. Given the zero budget growth practices adopted by most United Nations system organizations, it will be a continuing challenge for the organizations to identify funding. The Inspectors note that the Secretary-General, in his report[8] on liabilities and proposed funding for ASHI, recommended a funding strategy for the United Nations. The important features include: annual funding for the long term; establishing a charge equivalent of 4 per cent of salary costs for all budgets to be applied against the cost of salaries paid to staff; utilizing the unspent balance of any appropriations from the regular budget; and utilizing the excess of actual miscellaneous income over budget estimates. The Inspectors concur with the recommendations of the Secretary-General, and believe that all the organizations of the United Nations system must submit to their respective governing bodies the extent of their ASHI liabilities and establish a similar strategy to that proposed by the Secretary-General to meet their long-term liabilities.

43. The General Assembly, in resolution 60/255, recognized the end-of-service accrued benefit liabilities reported in the Secretary-General's report A/60/450, and requested that steps be taken to disclose these liabilities in the United Nations financial statements. The Inspectors believe that it is not sufficient that the liabilities merely be disclosed in the financial statements; adequate funding should be provided to meet such liabilities.

44. The Inspectors note that those organizations that have established a reserve, accumulating funds to meet their ASHI liabilities, have been investing the reserve individually in short- and long-term investments. The Inspectors suggest that it would be a reasonable option to establish a common fund, pooling the reserves established so far by some organizations, and reserves to be established by other organizations to cover future ASHI liabilities. The reserves of individual organizations should be maintained separately, to facilitate tracking and monitoring by each organization, but pooled for investment purposes. This would minimise investment risks, obtain managerial and financial advantage for the organizations and improve investment returns. The Inspectors believe that the common fund should be invested in a manner similar to the assets of UNJSPF.

[8] A/60/450 of 27 October 2005.

Recommendation 4

The legislative bodies of each United Nations organization should request their respective executive heads to undertake periodic actuarial studies based on a uniform system-wide methodology to determine the extent of accrued ASHI liabilities and to disclose the liabilities in the financial statements.

Recommendation 5

The legislative bodies of each organization should:
(a) Request their respective executive heads to put forward proposals for funding ASHI liabilities;
(b) Provide adequate financing to meet those liabilities and establish a reserve for this purpose.

Recommendation 6

The United Nations General Assembly should establish a common fund to pool the reserves (existing and to be established), which should be invested in a manner similar to the assets of UNJSPF.

IV. COST CONTAINMENT MEASURES

45. Confronted with the soaring costs of medical care, several organizations, individually and collectively, embarked in the 1990s on the development of proposals for cost containment programmes to control expenditures to the extent possible. Organizations have adopted various approaches, including imposing restrictions on certain types of benefits, or by rationalizing reimbursements, especially for hospital expenses (the imposition of ceilings; maximum reimbursable days; offers on common wards in public hospitals, etc.). All the health funds of the Geneva-based organizations together conducted negotiations with certain health providers, to attempt to achieve reduced charges. Individual organizations, like ILO, commissioned studies to find ways to contain the increasing costs of their health schemes, and to ensure sufficient resources for the volume and scope of health care required for its members. Despite these efforts, the increasing cost of the health insurance schemes, as shown in annex II, is a growing concern for the United Nations system organizations. The Inspectors believe that effective measures need to be taken to contain costs, otherwise there is a risk that access to a reasonable level of health care for the participants will be jeopardized.

46. The Inspectors note that there are periodic meetings between the medical and health insurance professionals in the United Nations system, and that there is coordination among them at the operational level. They share their experiences and a common concern relates to the containment of the costs of medical coverage. The options outlined below, in the opinion of the Inspectors, deserve the attention of the medical and insurance professionals involved in the cost containment exercise across the United Nations system:

- Extend the network of preferred providers, hospitals, clinics, laboratories and pharmacies at negotiated tariffs at an acceptable level;

- Attempt to identify, in a unified fashion, types of benefits that can be rationalized, and strive to obtain favourable tariffs in the various duty stations;

- Strengthen and expand in-house delivery systems within the medical and legal environment in the duty station, to provide primary care and a referral service for staff members, retirees and their dependants. In-house medical services in FAO in Rome provide primary care, physiotherapy and a pharmacy, whereas in-house medical services in United Nations Headquarters, New York; in UNOG, WIPO, WHO and ILO in Geneva; and IAEA in Vienna, provide only preventive care consultations and first aid, and attend to any medical emergencies of staff members. These services can be expanded using the available resources and facilities, to optimally utilize the resources and to contain costs;

- Establish in-house pharmacies for the supply and dispensing of drugs for staff members and retirees who are on regular regimens for chronic diseases;

- Undertake health education and health promotion activities, and provide patient counselling services on the rational use of health care.

47. Another cost containment measure the Inspectors suggest would be to explore the possibility of providing access to national health services in conjunction with the health insurance schemes available to international staff, and carry out a study to: determine the accessibility of national health schemes for their officials (active and retirees); ascertain in what way the organizational health schemes could be coordinated with national health schemes; ascertain what formalities officials may have to undertake during active life or after retirement to maintain health coverage under the national health schemes; and improve information-sharing with respect to the availability of such services to international staff, and the mechanisms and formalities to be completed in order to obtain them.

Recommendation 7

Executive heads should implement cost containment measures proactively in their respective organizations and ensure that these measures are taken in a coordinated manner among the various organizations in a duty station.

Annex I

BRIEF DESCRIPTION OF THE VARIOUS HEALTH INSURANCE SCHEMES AVAILABLE IN THE UNITED NATIONS SYSTEM

1. United Nations Headquarters, New York; UNDP, UNICEF and UNFPA; and international and national staff members working in designated duty stations:

(a) Aetna Open Choice, preferred provider option (PPO), administered by a commercial health insurance administrator, offers worldwide coverage for hospitalizations and surgical, medical and prescription drug expenses. Under this plan, medically necessary treatment for a covered illness or injury may be obtained at a hospital or from a physician of one's own choosing, whether an in-network (US$ 10 per visit and without the need to file any claim) or out of network provider (100 per cent reimbursement for hospital expenses and 80 per cent reimbursement of "reasonable and customary" costs of other medical expenses).

(b) Empire Blue Cross PPO, also administered by a commercial health insurance administrator, offers in-network benefits, including an extensive network of participating providers covering most medical specialists, as well as out of network benefits. An extensive network of physicians both in New York (the city and metropolitan areas) and nationally participate in the plan When treatment is rendered by an in-network provider a co-payment of US$ 10 is required. For services rendered by out of network providers the reimbursement is limited to 80 per cent.

(c) HIP Health Plan for New York is a health maintenance organization (HMO), and follows the concept of total prepaid group practice hospital and medical care. There is no out-of-pocket cost to the staff member for covered services provided by numerous participating medical groups in the Greater New York area. The plan also provides 100 per cent coverage for emergency treatment anywhere in the world.

(d) CIGNA dental PPO programme is provided by a commercial provider and offers a large network of participating providers in the Greater New York metropolitan area and nationally. The dental PPO functions like a medical PPO; the network of dentists accept payment at a fee schedule negotiated with CIGNA and the reimbursement is 100 per cent. For services rendered by out of network providers, the reimbursement is limited to 80 per cent of reasonable and customary charges and in all cases the current maximum annual reimbursement is US$ 2,250.

(e) In addition to the above plans, the MEDEX Assistance Corporation (MEDEX) is a facility available, at a small monthly subscription, to Aetna and Empire Blue Cross subscribers. The programme provides emergency medical assistance, including medical evacuation and repatriation and other travel assistance services, when the staff member is 100 or more miles from home.

With the exception of HIP, the United Nations Headquarters health insurance plans are "experience rated". The premiums in each year are based on the cost of the medical or dental treatment received by United Nations participants in the previous year, plus the expected effect of higher utilization and inflation, and an appropriate allowance for administrative expenses. In a year following a period of heavy utilization, premium increases are expected to be relatively high. Conversely, if the utilisation has been moderate, the increase in premiums will be moderate.

(f) Vanbreda medical, hospital and dental insurance programme for staff members away from headquarters, administered by a commercial provider, covers staff members and former staff members who reside in all parts of the world except the United States of America. The premium is based on the claims incurred by the participants in all parts of the world and reflects varying price levels. Accordingly, three different geographical regions have been established to enable the determination of premiums: rate group 1 for all duty stations other than Chile, Mexico and Western Europe; rate group 2 for Western Europe; and rate group 3 for Chile and Mexico. All

staff members holding appointments of three months and longer under the 100/300 series, and one month or longer under the 200 series, are eligible globally.

(g) Medical Insurance Plan (MIP) is a self-administered and self-financed plan offered to locally recruited staff of the General Service category and national professionals at duty stations away from headquarters, including field offices and peacekeeping missions. The MIP was established in accordance with General Assembly resolution 41/209. The MIP administration is completely delegated to the duty stations. The contributions were established when the plan was introduced in 1987 and have not changed since. The claims administration has been outsourced by UNDP to an independent administrative brokerage.

2. Geneva

(a) United Nations Staff Mutual Insurance Society against sickness and accident (UNSMIS) is a society established by UNOG staff members on the basis of a statute, and is a self-financed and self-administered programme. An Executive Committee consisting of seven members representing UNOG management and the staff coordinating council administers the society. The premium is fixed on the basis of the net pay of the staff member. The society provides health insurance to staff members of UNOG, UNHCR and WMO.

(b) Staff Health Insurance (SHI). This insurance plan, established by WHO, is a self-financed programme. The objective is to provide for the reimbursement of a major portion of the expenses for medically recognized health care incurred by staff members of WHO globally. The contributions of staff members are computed on the basis of their remuneration. The working and financial status of the programme is reviewed and monitored by surveillance committees in the headquarters and regional offices.

(c) Staff Health Insurance Fund (SHIF). This is a self-financed and self-administered health insurance fund for the staff members of ILO and ITU. It is financed by the contributions of the persons insured under the scheme, computed on the basis of their remuneration. The Management Committee, composed of eight titular members (three each representing the ILO staff and the Director-General of ILO, and one each representing the staff of ITU and the Secretary-General of ITU), is responsible for managing the fund.

(d) Group Medical Insurance. WIPO health insurance is provided on the basis of a contract concluded by Assurances Générales de France IART, a commercial provider. The contract is further delegated to Vanbreda International as a broker for the management, execution and implementation of the contract. The contributions are revised periodically and cover two groups: adults 21 years and over; and children under 21 years old.

(e) Group Insurance. A Swiss commercial firm, KPT Assurances SA, provides the main health insurance scheme for UPU permanent staff members, and Vanbreda International supplies health insurance for other personnel.

3. Vienna

(a) Group Medical Insurance is provided by Vanbreda International, a commercial provider, for UNOV/UNIDO. UNIDO is the policyholder and UNOV is a participating organization in the plan. The Full Medical Insurance Plan (FMIP) and Supplementary Medical Insurance Plan (SMIP) provide worldwide coverage and reimburse 80 per cent of the cost of medical, hospital and dental consultations/examinations. The premium rates are based on a comparison of the premiums paid and the reimbursements received over a 12-month review period.

(b) FMIP and SMIP plans are provided by Vanbreda for IAEA regular staff. Vanbreda also provides Group Medical Insurance for temporary staff (GMIT) for short-term staff.

(c) In addition to the two commercial schemes, the Austrian national health insurance scheme (WGKK), a social security insurance scheme, is also provided to staff members in Vienna.

4. Rome

WFP and FAO provide two medical insurance schemes to their staff. The Basic Medical Insurance Plan (BMIP) is compulsory for all staff employed globally. The Major Medical Benefit Plan (MMBP) is a voluntary scheme. The BMIP cost is shared between the organization and the staff, whereas MMBP premiums are fully paid by the staff. Vanbreda International provides the two schemes.

5. Paris

The Medical Benefits Fund of UNESCO is a self-financed and self-administered health insurance scheme providing global coverage. A Board of Management composed of five members manages the fund: the Chairperson, appointed by the Director-General; two members elected by the participants; and one representative each of Human Resources Management and the Controller respectively. The contributions of the participants are calculated on the basis of their annual remuneration and revised when the financial situation of the Fund is unfavourable.

6. Montreal

The Sun Life Group Medical Insurance plan of ICAO is a voluntary scheme, providing worldwide coverage on a commercial basis.

7. London

Vanbreda International provides health insurance to IMO staff.

Annex II

NUMBER OF CONTRIBUTORS AND ANNUAL COST OF HEALTH INSURANCE SCHEMES FOR 1997 AND 2004

Organization	Number of contributors under health insurance schemes (active and retirees)			Annual cost of health insurance schemes (thousands of US dollars)		
	1997[9]	2004[10]	2004 index 1997 =100	1997[11]	2004[12]	2004 index 1997=100
United Nations[13]	39,119	46,352	118	86,551	175,447	203
ILO	4,289	4,737	110	8,432	11,846	141
FAO[14]	9,097	9,833	108	16,809	24,342	145
UNESCO	4,285	4,600	107	6,723	15,932	236
ICAO	997	997		1,844	2,929	159
WHO	7,682	9,262	121	21,900	37,173	170
UPU	509	573	113	561	2,255	401
ITU	1,178	1,501	127	3,169	4,530	143
WMO	384	473	123	1,736	2,699	155
IMO	342	342		539	1,439	267
WIPO	783	1022	131	2,357	5,455	231
UNIDO	1,113	1102	100	2,767	4,316	156
IAEA	2,599	2,953	114	4,839	7,729	160
Total	**72,377**	**83,747[15]**	**116**	**158,227**	**296,092**	**187**

[9] Source – ACC/1999/FB/ R.13 – Biennial report on the cost of health insurance.
[10] Source: responses to JIU questionnaire.
[11] Source – ACC/1999/FB/ R.13 – Biennial report on the cost of health insurance.
[12] All currencies converted to US dollars according to December 2004 official exchange rate.
[13] United Nations includes health insurance programmes administered out of United Nations Headquarters office in New York, the staff and retirees of the Secretariat, UNDP, UNOPS, UNFPA and UNICEF. It also includes UNSMIS Geneva data comprising the staff and retirees of UNOG, all funds and programmes in Geneva, WMO, UNV, UNFCCC, UNCCD, and UNSSC.
[14] Includes WFP.
[15] Includes the estimated numbers for ICAO and IMO, based on 1997 figures.

Annex III

COMPARATIVE ANALYSIS OF PREMIUM SHARING

	Cost share (basic plan)[16]			
Organization	**Staff**	**Organization**	**Retirees**	**Organization**
United Nations[17]	40	60	20	80
UNSMIS, Geneva	50	50	33	67
ILO[18]	50	50	33	67
FAO[19]	50	50	50	50
UNESCO	50	50	50	50
ICAO	P-65, G-50	P-35, G-50	50	50
WHO[20]	33	67	33	67
UPU	50	50	50	50
ITU[21]	50	50	33	67
WMO	50	50	33	67
IMO	33	67	25	75
WIPO	25 to 50	75 to 50	35	65
UNIDO	50	50	25	75
IAEA[22]	50	50	50	50

[16] Expressed in terms of percentage of total premium.

[17] Programmes outside the United States other than the UNSMIS plan have approximate cost sharing as follows: about 60 per cent covered by staff, 40 per cent by the Organization; about 30 per cent covered by retirees, 70 per cent by the Organization.

[18] In terms of percentage of salary or pension.

[19] Includes WFP, IFAD and ICCROM. Staff member's share limited to 5 per cent of gross salary. Any amount beyond that is paid by the Organization. For retirees, maximum 4 per cent of 32 per cent of monthly final average remuneration, or 4 per cent of full pension benefit, whichever is greater.

[20] For staff, computed on the basis of remuneration – net salary together with post adjustment or any non-resident allowance; for retirees computed on the basis of the full benefit granted to retired staff members.

[21] In terms of percentage of salary or pension.

[22] Premiums at IAEA are flat rates per insured person and not a percentage of salary. Therefore staff member shares vary from 20 per cent to 70 per cent (20, 30, 40, 50, 60 and 70) of the premium depending on their net monthly emoluments. Retiree shares vary from 15 per cent to 60 per cent (15, 25, 35, 50 and 60) of the premium depending on net emoluments during the last full month of service. Overall, the Organization's contribution is approximately 50 per cent.

Annex IV

COMPARATIVE ANALYSIS OF COVERAGE

Coverage									
Regular staff and dependants				**Retirees**			**Others[23]**		
	Regular staff	**Primary dependants**	**Secondary dependants**	**Retirees**	**Primary dependants[24]**	**Secondary dependants[25]**	**Short term**	**Consultants**	**SSAs**
United Nations[26]	Yes	Yes	Yes	Yes	Yes	Yes[27]	Yes	Yes	Yes
ILO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
FAO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UNESCO	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
ICAO	No	No	No	Yes	Yes	No	Yes	No	No
WHO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UPU	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A
ITU	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
WMO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
IMO	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
WIPO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
UNIDO	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes
IAEA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No

[23] Coverage for the "others" category is extended under different insurance/compensation schemes to those for staff and retirees.
[24] Primary dependants are a spouse and children meeting the conditions under relevant staff rules.
[25] Secondary dependants cover parents and / or dependent siblings meeting the conditions under relevant staff rules.
[26] United Nations includes United Nations Headquarters, UNDP, UNFPA, UNICEF, UNHCR, UNOG, UNOV and UNODC.
[27] Only the UNSMIS plan provides for coverage of secondary dependants of staff or retirees.

Annex V
COMPARATIVE ANALYSIS OF BENEFITS

Organization	Annual limit (in United States dollars)	Lifetime limit	Free choice of providers[28]	Reimbursement formula (percentage of expenditure incurred)					
				Doctors fees and prescription drugs	Outpatient services[29]/ institutional care[30]	Medical procedures[31]	Hospital care[32]	Nursing services	Dental care[33]
United Nations[34]	N/A	No	[35]	See footnote 35	See footnote 35	See footnote 35	See footnote 35	See footnote 35	See footnote 35
ILO	$150,000	No	Yes	80	80	80	80	80	80
FAO[36]	$1,000,000	No	Yes	80	80	80[37]	100/80[38]	100	80[39]
UNESCO	[40]	No	Yes	75	75[41]	75	90	75	80
ICAO	[42]	No	Yes	80[43]	80	80	80/100[44]	80	80
WHO	$30,000[45]	No	Yes	80	80	80	80/100[46]	80	80[47]

[28] Medical practitioners, pharmacists and medical establishments.
[29] Includes outpatient services, e.g., laboratory tests, x-rays, artificial limbs, crutches, etc.
[30] Includes stay in sanatoria. Reimbursements for professional ambulance services are also included in this column.
[31] Includes breast cancer and other breast screenings, orthopaedics, orthotics etc.
[32] Reimbursement of daily charges. In most cases, expenses for services provided in a hospital (nursing, x-rays, operating room charges, etc.) included here.
[33] Routine dental care, e.g., periodic examinations, fillings, crowns, etc.
[34] Includes UNDP, UNFPA and UNICEF.
[35] Participants are free to choose in-network or out of network service providers. Out of pocket expenses for those going out of network would be generally higher. Rate of reimbursement (usually between 80 and 100 percent) varies by service provided and, more importantly, on the basis of service provided in-network or out of network.
[36] Includes WFP.
[37] Breast cancer screenings reimbursed at 100 per cent.
[38] For hospital care in Italy, 100 per cent up to 260 euros, 80 per cent of next 240 euros. Limits and percentages for areas outside Italy differ.
[39] Up to a maximum of US$ 700 per patient.
[40] Annual limits in monetary terms apply in cases of specific benefits.
[41] Chemotherapy, radiotherapy reimbursed at 100 per cent.
[42] In general 80 per cent reimbursement formula applies. Certain benefits have ceilings or limitations per benefit year.
[43] Brand name drugs covered at 80 per cent, generic drugs at 90 per cent.
[44] 80 per cent reimbursement up to US$ 20,000; 100 per cent thereafter.
[45] Applies to temporary staff and consultants.
[46] 80 per cent reimbursement for stay in a hospital, clinic or other recognized medical institution. 100 per cent reimbursement for treatment in a general ward.
[47] Within the limit of US$ 1,500 per year. In cases where dental care is required as a result of an accident, the limit of US$ 30,000 applies.

Organization	Annual limit (in United States dollars)	Lifetime limit	Free choice of providers[48]	Reimbursement formula (percentage of expenditure incurred)					
				Doctors fees and prescription drugs	Outpatient services[49] / institutional care[50]	Medical procedures[51]	Hospital care[52]	Nursing services	Dental care[53]
UPU	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
ITU	$150,000	No	Yes	80	80	80	80	80	80
WMO	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
IMO	No	No	Yes	80	80	80	100[54]	100	80
WIPO	See footnote 55	No	Yes	[55]	See footnote 55	See footnote 55	100[56]	See footnote 55	75[57]
UNIDO	No	No	Yes	80	90	80	100/90/70[58]	No	80[59]
IAEA[60]	No	No	Yes	80	90[61]	80	100/90/80[62]	80	80[63]

[48] Medical practitioners, pharmacists and medical establishments.
[49] Includes outpatient services, e.g., laboratory tests, x-rays, artificial limbs, crutches, etc.
[50] Includes stay in sanatoria. Reimbursements for professional ambulance services are also included in this column.
[51] Includes breast cancer and other breast screenings, orthopaedics, orthotics etc.
[52] Reimbursement of daily charges. [footnote 32 above has more information]
[53] Routine dental care, e.g., periodic examinations, fillings, crowns, etc.
[54] Up to £550 per day.
[55] All insured persons of 21 years and over must pay the first SwF 350 and 10 per cent of the expenses incurred beyond this amount per calendar year. However, these out of pocket expenses may not exceed SwF 2,000 per year per insured person falling in this category. For insured persons under 21, a limit of SwF 250 per annum for the 10 per cent share applies. Total out of pocket expenses pertaining to the 10 per cent share for all insured persons under 21 in the family may not exceed SwF 500.
[56] An insured person opting for hospital treatment in a private room bears 10 per cent of the cost of medical treatment up to a maximum of SwF 1,000. He/she also bears 10 per cent of the cost of accommodation up to a top price of SwF 850 per day, and 100 per cent of the cost beyond this limit.
[57] Up to a maximum of SwF 3,500 per year. In France, the reimbursement rate is 85 per cent.
[58] 100 per cent for general ward, 90 per cent for semi-private room and 70 per cent for single room.
[59] Subject to a maximum of euros 1,455 per calendar year.
[60] Relates to Full Medical Insurance Plan (FMIP). Reimbursement formulae are different under other plans.
[61] Refers to day surgery not requiring hospital stay.
[62] 100 per cent for a standard room, 90 per cent for a semi-private room and 80 per cent for a private room.
[63] 80 per cent up to 1,770 euros, none thereafter.

Annex VI

AFTER-SERVICE HEALTH INSURANCE (ASHI)

Organization	Eligibility requirement (number of years of participation at the time of separation)	Year of last actuarial study	Total ASHI liability[64] (in millions of US $)	Funded up to 2004 (in millions of US $)	Unfunded liability (in millions of US $)
United Nations	10 years	2002	1,484.9	25.0[65]	1,459.9
UNDP	10 years	2003	263.2	135.0	128.2
UNICEF	10 years	2003	182.5	40.0	142.5
UNFPA	10 years	2003	54.5	--	54.5
UNHCR	10 years	2002	136.1	--	136.1
ILO	10 years	2004	474.0	--	474.0
FAO[66]	10 years	2004	562.5	178.8	383.7
UNESCO	10 years	N/A	322.6	--	322.6
ICAO	5 years	2004	32.5	--	32.5
WHO	10 years	2003	371.2	252.2	119.0
UPU	No contributory service required	N/A	N/A	N/A	N/A
ITU	10 years	2004	185.1	--	185.1
WMO	10 years	2002	12.1	1.3	10.8
IMO	10 years	N/A	No information	No information	No information
WIPO	5 years	1999	43.2	--	43.2
UNIDO	10 years	2000	59.1	--	59.1
IAEA	5 years[67]	2002	80.9	--	80.9
TOTAL			4264.4	632.3	3632.1

[64] Figures mainly taken from A/60/450 (Report of the Secretary-General on Liabilities and proposed funding for after-service health insurance benefits).
[65] UNSMIS actuarial reserve for long-term risks.
[66] Includes WFP.
[67] Staff members separating at age 55 and above are eligible to continue to participate in ASHI provided they participated in the health insurance plan for a period of 5 years. However, to qualify for the Organization's subsidy towards the premium, the staff member must have 10 years of continuous service prior to separation. Staff members separating between age 50 and 55 are eligible to continue to participate in ASHI provided they participated in the health insurance plan for a period of 20 years, 10 of which were continuous prior to separation. In the latter case, the Organization's subsidy is only payable after they reach age 55.

Annex VII
UNITED NATIONS SYSTEM STAFF MEDICAL COVERAGE: OVERVIEW ON ACTION TO BE TAKEN ON RECOMMENDATIONS

		United Nations and its Funds and Programmes											Specialized Agencies and IAEA												
		United Nations *	UNCTAD	UNODC	UNEP	UN-Habitat	UNHCR	UNWRA	UNDP	UNFPA	UNICEF	WFP	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	UNWTO	IAEA
Report	For action	X					X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
	For information and review		X	X	X	X		X																	
Recommendation 1		L					L		L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L
Recommendation 2		L																							
Recommendation 3		L					L		L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L
Recommendation 4		L					L		L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L
Recommendation 5		L					L		L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L
Recommendation 6		L																							
Recommendation 7		E											E	E	E	E	E	E			E	E	E	E	E

Legend:
- **L:** Recommendation for decision by legislative organ
- **E:** Recommendation for action by executive head
- **Blank:** Recommendation does not require action by this organization

* Covers all entities listed in ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-Habitat, UNHCR, and UNRWA.

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General Assembly
Security Council

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General Assembly
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Agenda items 106, 107 and 108

Crime prevention and criminal justice

International drug control

Measures to eliminate international terrorism

Security Council
Sixty-second year

Note verbale dated 8 November 2007 from the Permanent Mission of Tonga to the United Nations addressed to the Secretary-General

The Permanent Mission of the Kingdom of Tonga to the United Nations has the honour, in its capacity as the current Chair of the Pacific Islands Forum, to transmit herewith a copy of the conclusions of the Regional Consultation Workshop on measures for the legislative implementation of the legal regime against terrorism in the Pacific region and related technical assistance delivery, held in Nadi, Fiji, on 25 and 26 June 2007 (see annex).

The Permanent Mission of the Kingdom of Tonga to the United Nations would be grateful if this note verbale and the attached workshop conclusions were circulated as a document of the General Assembly, under agenda items 106, 107 and 108, and of the Security Council.

07-59625 (E) 161107

Annex to the note verbale dated 8 November 2007 from the Permanent Mission of the Kingdom of Tonga to the United Nations addressed to the Secretary-General

Regional Consultation Workshop on measures for the legislative implementation of the legal regime against terrorism in the Pacific region and related technical assistance delivery

Nadi, Fiji, 25 and 26 June 2007

Organized by the United Nations Office on Drugs and Crime in cooperation with the Pacific Islands Forum Secretariat

Workshop conclusions

The participants of the Regional Consultation Workshop on measures for the legislative implementation of the legal regime against terrorism in the Pacific region and related technical assistance delivery, held in Nadi, Fiji, from 25 to 26 June 2007;

Representing the following Pacific Islands Forum countries:

– Australia, Cook Islands, Fiji, Kiribati, Nauru, Niue, New Zealand, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu, as well as Timor-Leste, the special observer of the Forum;

Reaffirming that terrorism poses a significant threat to peace and international security and undermines the core values of the United Nations and the Pacific Islands Forum;

Acknowledging the work undertaken by Forum Members and observers in complying with their international obligations and relevant regional instruments relating to counter-terrorism and their determination to undertake required national level action, as reflected inter alia in the Honiara and Nasonini Declarations;

Acknowledging the development of a counter-terrorism strategy within the Pacific Islands Forum Secretariat (PIFS), taking into account related broad issues including good governance;

Stressing the importance of ratifying and fully implementing the universal counter-terrorism instruments as well as complying with the requirements of all relevant Security Council resolutions;

Welcoming the joint initiative launched by the Terrorism Prevention Branch of the United Nations Office on Drugs and Crime (UNODC) and the PIFS for reinforcing the delivery of technical assistance to the Forum countries to strengthen the legal regime against terrorism, taking into account the Pacific model law on counter-terrorism and transnational organized crime, developed by the PIFS;

Expressing our appreciation to the Counter-Terrorism Committee Executive Directorate and the 1540 Committee Expert Group for their contributions to the Workshop;

Expressing our appreciation to UNODC and the PIFS for their initiative in organizing the Consultation Workshop;

Have agreed on the following conclusions:

1. Recognize the need to review existing domestic laws and develop new counter-terrorism legislation where appropriate, particularly in the penal field and international cooperation, with the aim of ensuring that they meet the requirements arising from the universal counter-terrorism instruments;

2. Affirm the usefulness and appropriateness of the technical assistance services offered by UNODC/TPB for the legal implementation of the above instruments, in partnership with the PIFS and in coordination with other relevant providers of assistance;

3. Welcome the opportunity and availability of UNODC/TPB and the PIFS to provide on-the-ground and sustained support to the Forum Islands countries and observers and, for this purpose, undertake the following types of activities:

- National level technical support, advisory services and other required expertise assistance in the legal areas relating to counter-terrorism, especially for the ratification of the universal counter-terrorism instruments and the legislative incorporation of their provisions into national legislation, including drafting assistance;
- National level training for relevant criminal justice officials to build counter-terrorism legal capacity for achieving the effective application of the legal regime against terrorism;
- Regional consultations and workshops for the Pacific Islands countries and observers on specialized substantive legal issues, to foster specialized knowledge and expert capacity to address those issues;
- Senior policy level workshops on strengthening the legal regime against terrorism, especially to review progress being made and provide guidance for required further steps pertaining to technical assistance needs and delivery.

4. Recommend Forum Members and observers to draw on the specialized legal and related technical assistance services offered by the Terrorism Prevention Branch of UNODC in partnership with the PIFS;

5. Express our firm intention to formalize technical assistance requests that match our respective country's requirements in the legal and related areas and to submit them through diplomatic channels;

6. Request UNODC/TPB to take the necessary steps for meeting the requests expeditiously upon their submission, in partnership with the PIFS and achieving complementarity and synergy with other relevant initiatives of the PIFS, taking into account other donor agencies;

7. Request UNODC to hold, in partnership with the PIFS, a follow-up consultation in connection with the 2008 meeting of the Working Group on Counter-Terrorism and/or Forum Regional Security Committee Meeting, for reviewing the practical follow-up given to the conclusions of this consultation workshop, especially the fulfilment of the technical assistance requests made by the Pacific

Islands countries, and to review further measures to be pursued for strengthening the legal regime against terrorism;

8. Request the PIFS to bring the conclusions of this consultation workshop to the attention of the Security Council and the General Assembly of the United Nations, for appraising them of the measures being envisaged for technical assistance delivery to the Pacific Islands countries;

9. Take note of the consultations with UNODC, the Counter-Terrorism Committee Executive Directorate and the 1540 Committee Expert Group, and the indicated intention of participating countries to follow up on those consultations through formal technical assistance requests;

10. Recognize that broader law enforcement programmes will complement the implementation of the universal counter-terrorism instruments;

11. Take note of the legal and related technical assistance needs indicated during the bilateral consultations with UNODC by the following countries:

Cook Islands

National workshop for drafting legislation to be able to ratify remaining universal counter-terrorism instruments, especially Nuclear Material Convention, Terrorist Bombing Convention, Maritime Convention and Continental Shelf Platform Convention.

Fiji

Assistance in drafting counter-terrorism legislation and accession to the remaining universal counter-terrorism instruments.

Training for criminal justice officials (prosecutors, law enforcement officers) on counter-terrorism legislation and their application in actual cases.

Kiribati

Basic training for law enforcement officers, and review of the existing counter-terrorism legislation.

Nauru

Review and assess gaps in counter-terrorism legislation and implications for ratification. Training of criminal justice officials (prosecutors, law enforcement officials) on counter-terrorism legislation and their application.

Niue

In-country training of criminal justice officials (judges, prosecutors, investigators) on counter-terrorism legislation and its application.

Palau

Review of gaps in counter-terrorism legislation and suggest appropriate amendments. National workshop to sensitize criminal justice officials to a new 2007 legislation.

Papua New Guinea

Drafting assistance and training of criminal justice officials on counter-terrorism legislation.

Republic of the Marshall Islands

Basic training for law enforcement officers. National workshop to sensitize criminal justice officials on the universal counter-terrorism instruments (remaining four to be ratified). Drafting workshop on counter-terrorism legislation. Training of criminal justice officials (judges, prosecutors, investigators) on counter-terrorism legislation and application.

Samoa

Assistance in drafting counter-terrorism legislation, and in the criminal law aspects of counter-terrorism related areas, such as financial law and practice, customs and border security law, and civil aviation.

Solomon Islands

In-country training of criminal justice officials (judges, prosecutors, investigators) on counter-terrorism legislation and its application. Assistance in complying with relevant reporting obligations.

Timor-Leste

Technical assistance requested after Parliamentary elections (next month) and formation of new Government. National workshop on ratification and implementation of universal counter-terrorism instruments.

Vanuatu

Review of the 2005 Counter-Terrorism Act to check for gaps and for the purpose of incorporating requirements of universal counter-terrorism instruments not yet ratified.

Review of extradition and mutual legal assistance legislation. In-country training of criminal justice officials on the enforcement of the counter-terrorism legislation.

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Agenda item 13
The role of diamonds in fuelling conflict

Letter dated 13 November 2007 from the Head of the Delegation of the European Commission to the United Nations addressed to the Secretary-General

I have the honour, on behalf of the Chair of the Kimberley Process, and pursuant to paragraph 16 of General Assembly resolution 61/28, entitled "The role of diamonds in fuelling conflict: breaking the link between the illicit transaction of rough diamonds and armed conflict as a contribution to prevention and settlement of conflicts", to hereby transmit the 2007 Kimberley Process report (see annex) and request that the present letter and its annex be circulated as a document of the Assembly, under agenda item 13.

(*Signed*) Fernando M. **Valenzuela**
Ambassador

07-59731 (E) 201107

Annex to the letter dated 13 November 2007 from the Head of the Delegation of the European Commission to the United Nations addressed to the Secretary-General

[Original: Arabic, English, French, Russian and Spanish]

Report of the Kimberley Process Certification Scheme to the General Assembly pursuant to resolution 61/28

November 2007

Introduction

1. This report is submitted by the European Commission, on behalf of the European Community in its capacity as the 2007 Chair of the Kimberley Process Certification Scheme (KPCS), pursuant to General Assembly resolution 61/28 of 4 December 2006, which requested a report on the implementation of the Process at the sixty-second session of the General Assembly. The General Assembly also decided to include in the provisional agenda of its sixty-second session the item entitled "The role of diamonds in fuelling conflict". The present report covers developments since the report of Botswana as 2006 Chair dated 17 November 2006 (A/61/589), and includes the Final Communiqué of the Brussels Plenary, 5-8 November 2007 (appendix 1).

2. The Kimberley Process (KP) is a leading multi-stakeholder partnership bringing together governments, NGOs and the diamond industry in order to prevent conflict diamonds entering the legal international trade. By helping to break links between arms and trade in rough diamonds, the KP contributes to the prevention of conflict, the deterrence of future conflicts, and the creation of the conditions necessary for countries to benefit from their own natural resources.

3. The KP has benefited from the backing of the international community since its inception, in particular with the landmark resolution of the General Assembly 55/56 (2000) supporting efforts to establish a certification scheme for rough diamonds. Each year since then, the General Assembly has debated the role of diamonds in fuelling conflict, and reaffirmed its support for the scheme. In addition, the Security Council supported the scheme in its resolution 1459 (2003), and requested information and assistance from the KP in subsequent resolutions (referring to Côte d'Ivoire and Liberia), and made compliance with KP requirements the basis for lifting diamond sanctions in the case of Liberia. These resolutions have provided the KP with international legitimacy and credibility. In 2003, the World Trade Organisation granted a waiver for the KPCS, which it renewed in December 2006.

4. In 2003, KP participants began implementing the Kimberley Process Certification Scheme, putting in place national legislation to prohibit imports and exports of rough diamonds unless certified as conflict-free. In order to be able to certify shipments, participants must implement appropriate controls over diamond production and trade in their territories.

Contribution of the Kimberley Process to international peace and security

5. Since the initiation of the KP in 1999/2000 to improve the international response to the phenomenon of "conflict diamonds" — rough diamonds whose trade

finances rebel groups — there has been a dramatic improvement in the security situation in several diamond-producing countries, notably Angola, the Democratic Republic of Congo, Liberia and Sierra Leone. Implementation of the KPCS has both contributed to this improved security environment — and benefited from it. The only current case of conflict diamonds is in Côte d'Ivoire. Trade in Ivorian diamonds is prohibited by KP rules and by a Security Council embargo.

6. All available data suggest that more rough diamonds than ever before are being handled in accordance with the provisions of the KPCS, and only a tiny fraction of 1% of total world production can be described as conflict diamonds — those produced in Côte d'Ivoire, an estimated 100-250 thousand carats per annum out of a total worldwide annual production of 176 million carats. Virtually all diamond producing and trading centres now implement the KPCS. The KPCS has resulted in a clear separation of illegal and legal markets for rough diamonds, reducing the market price of illicit diamonds compared to that of legitimate diamonds, while increasing the risks from involvement in illicit trade. This year has seen significant seizures and prosecutions relating to conflict diamonds and smuggling. The KPCS is thus protecting the legitimate diamond industry, a significant part of many countries' economies.

Achievements during 2007

7. The KPCS has now been in operation for nearly five years, and is maturing into an established part of the international arena. During this year, reforms have been implemented to put the KP on a more solid footing, inter alia through a compilation of its rules and procedures and a new, more transparent website, and the formalisation of working groups of artisanal alluvial diamond producers, and rules and procedures, respectively. Many recommendations of the three-year review have been carried out. At the same time, the KP preserves its flexibility to respond pragmatically and appropriately to the different challenges it faces, through diplomatic messages, technical assistance, training, geological, industry or statistical expertise. The KP's innovative model of burden-sharing has fostered a sense of ownership by participants and observers, many of whom have devoted considerable resources to strengthen implementation. Contributions are both financial (technical assistance) and personal (the majority of participants belong to at least one working group (see appendix 3) and approximately half of Participants have taken part in peer review teams).

Tackling conflict diamonds in partnership

8. Following concerns raised by the UN Panel of Experts on Côte d'Ivoire suggesting that Ivorian conflict diamonds could be smuggled through Ghana, the KP agreed with Ghana a balanced package including additional monitoring, technical assistance (including from a past Chair (South Africa)) and a plan of action for Ghana to take control of its informal sector. The World Diamond Council played a leading role, making its experts available to aid in reviewing individual packages and in monitoring exports remotely afterwards. A KP review mission team, led by a past KP chair (Canada), assessed these efforts. UN experts on Côte d'Ivoire sanctions in October welcomed "the cooperation of the Kimberley Process and its efforts to encourage participating States to introduce further improvements in their internal control systems." The experts also recognized Ghana's "remarkable efforts that have enhanced the credibility of its internal control system and its diamond

import/export regime." Ghana continues to work on registering informal miners and estimating production levels, with the support of the US, EC and World Diamond Council.

9. Another good example of KP partnership in action is the case of Liberia. Kimberley Process participants and observers, including the USA, the United Arab Emirates, South Africa, Canada, Sierra Leone and the World Diamond Council, as well as the UN Mission in Liberia (UNMIL) and the UN Development Programme (UNDP), have all worked closely with the Government of Liberia to advise, train and equip the Government Diamond Office and its officials. In March, the KP sent its third expert mission to Liberia, in close cooperation with the UN sanctions panel and supported by UNMIL, which found that Liberia did meet the KP's minimum requirements. The KP reported its findings to the Security Council, which decided in April to lift its diamond sanctions. Liberia was admitted to the KP on 4 May 2007. Various 'friends of Liberia' are working with its government to support KP implementation.

Participation: a more inclusive Kimberley Process

10. The Kimberley Process Certification Scheme has remained open on a global, non-discriminatory basis to all countries and regional economic integration organizations willing and able to fulfil its requirements. The KP welcomed three Participants this year: Liberia (see above), Turkey and Republic of Congo, which satisfied the conditions for its re-admission (revised legislation, stronger internal controls and an independent production estimate). As at 8 November 2007, the KPCS had 48 members, including the EC as a single participant representing its 27 member states, thus representing 74 states (appendix 2). Burkina Faso, Cameroon, Egypt, Mali, Mexico and Tunisia attended the Brussels Plenary and affirmed their intention to join the KP, while Bahrain, Cape Verde, Gabon, Swaziland and Zambia have all expressed their interest in future participation.

Monitoring and peer review: a vital tool to improve effectiveness

11. In four years of operation, the system of peer review visits has achieved virtually universal coverage, with more than 50 different visits being carried out to KP participants and applicants, helping to spread best practices, identify and resolve issues in implementation, and strengthen a culture of compliance. A second round of review visits began with a team going to Zimbabwe in May. The Working Group on Monitoring (WGM) set up a Technical Experts Team (TET) led by India, mandated to assess KP implementation in trading and manufacturing centres. The TET surveyed 22 significant trading, cutting and polishing centres. Plenary adopted a declaration containing recommended controls in such centres. The WGM also continued to collect and analyse participants' annual reports, in 2007, placing particular emphasis on government oversight, enforcement and infringement issues.

Statistics: data for monitoring and oversight

12. At the beginning of this year, the KP publicly released its production and trade statistics for the first time, with the aim of increasing transparency and allowing others to analyse the data. Statistics form an integral part of monitoring, and statistical analyses were prepared for all peer review visits over the past year. The KP conducted its annual analysis of 2006 statistics, identifying a number of human

errors, as well as procedures to be corrected, and issues for further work. Participants are required to submit statistics on a quarterly basis and all Participants submitted statistics for 2005 and 2006, supported by continuing training opportunities made available by the Canadian government.

Technical assistance and capacity-building

13. A number of Participants and organizations have been active in providing technical assistance to enhance capacity building for implementation of the KPCS. As well as efforts in Liberia, KP Participants and Observers also funded actions to support effective regulation of the diamond sector in other diamond producing areas such as the Central African Republic, Guinea and the Democratic Republic of Congo. An EC/Belgium funded research study was launched to focus on the crucial issue of the regulation of alluvial mining. Participants also funded specific KP actions such as statistical training (Canada), satellite monitoring, the participation of representatives from LDCs and civil society in review visits (EC), and supported the Diamond Development Initiative (DDI) and other international efforts (EC/Sweden). The Kimberley Process continues to encourage donor countries and other interested stakeholders to continue to provide assistance to other KP Participants and to notify the coordinator of their needs.

Technical issues and traceability

14. The Working Group of Diamond Experts (WGDE) was mandated in 2005 to assist with technical analysis of the volume and characteristics of production likely to be exported from Côte d'Ivoire, and accordingly developed a size-frequency distribution diagram ("footprint") for this production. It has also analysed data from neighbouring countries, particularly Ghana. Footprints of Ivorian and Ghanaian diamonds are now available. The WGDE has worked on various recommendations of the three-year review, notably on conflict between definitions used by KP and those in customs/trade practice, on customs classifications, and valuation. Technical advice has been extended to Participants requesting help.

15. The EC hosted a workshop on diamond origin determination in October 2007, bringing together leading researchers in this field, to examine developments in techniques to identify diamonds. This workshop concluded that, as a scientific matter, it seemed likely that a 'fingerprint' could be developed, with a complete database of diamonds from each source and their identifying characteristics. While a long-term effort, requiring collaboration of governments, industry and academia, notably from all producer countries, this would be an extremely powerful tool to detect and deter illegal and conflict diamonds.

Artisanal/alluvial production — a crucial issue for the Kimberley Process

16. The Working Group of Artisanal Alluvial Producers (WGAAP) is mandated to ensure compliance with the recommendations of the KP's Moscow Declaration for improving internal controls of small-scale artisanal alluvial diamond mining and promoting the exchange of good practices. Artisanal alluvial diamond mining accounts for a significant proportion of worldwide diamond production, but controlling it involves particular challenges. The WGAAP has worked this year on its terms of reference, the composition of the Working Group, and on an action plan at group and sub-group level. The WGAAP analysed each country with artisanal

alluvial production, assessing their controls in the light of KP recommendations, and considering progress, obstacles encountered and remaining challenges. WGAAP members took part in training on statistics management, internal controls and diamond evaluation, co-financed by Canada and South Africa, and the WGAAP has plans to develop further efforts on capacity building, traceability and tackling illicit cross-border trade.

Civil society — bringing different voices to the table

17. Civil society has continued to play an active role in the KP through involvement in working groups, review visits and research. A civil society workshop organised by PAC/GW took place in Brussels and Antwerp 3-5 November with EC-Belgium funding and the support of the KP Secretariat, working group chairs, and representatives of the World Diamond Council and Antwerp World Diamond Centre. A record number of NGOs, mainly from producing countries, attended Plenary and called upon governments to engage civil society more actively at national level.

Cooperation with international organizations — synergies to fight conflict diamonds

18. The KP Chair has continued to work closely with the United Nations. Close collaboration with the UN Sanctions Committees on Côte d'Ivoire and Liberia were key to achieving progress; in particular a KP expert mission visited Liberia at the same time as the UN Panel of Experts, and the KP and UN experts both presented their respective findings to the Sanctions Committee at the same session. A representative of the UN Group of Experts on Côte d'Ivoire joined the KP review mission to Ghana. The KP reported to the UN Sanctions Committee on Liberia regarding its findings in Liberia, and provided trade data to the UN Group of Experts on Côte d'Ivoire in relation to possible breaches of the diamond ban.

19. The Chair also pursued dialogue and co-operation with UN agencies and a number of diamond organisations, while the technical assistance coordinator initiated discussions with World Bank, UNDP and others. Various organisations working on technical assistance and development issues presented their work to Plenary.

Future challenges

20. While the KP has proved its effectiveness, it cannot rest on its laurels. Continued efforts are needed by governments, industry and civil society to maintain and strengthen KP implementation, as the KP community expands. The second round of peer review visits will be a valuable tool to broaden and deepen compliance. The diamond sector faces a variety of challenges, including corporate social responsibility, environmental, human rights and labour standards, as it evolves with changing patterns of production and trade. Improving the developmental impact of diamonds, and tackling illicit trade will require continued international co-operation, capacity building and training going beyond the current KP mandate.

Conclusion

21. Thanks to the hard work of government, industry and civil society representatives around the world, the KP remains one of the most successful and inspirational examples of how to break the link between natural resources and conflict. Although conflict diamonds are currently much reduced, the KP is a vital tool of conflict prevention and deterrence. The European Community trusts that India as Chair in 2008, with the support of its Vice-Chair, Namibia will maintain the KP's traditions of transparent, inclusive, non-discriminatory, flexible and effective action.

Appendix 1

Brussels Plenary Meeting, 5-8 November 2007, Final Communiqué

2007 Kimberley Process Communiqué

1. The Kimberley Process met 5-8 November in Brussels, Belgium, at its fifth annual plenary and called on Participants to ensure stronger government oversight of rough diamond trading and manufacturing. The plenary also launched an initiative to address the issue of rough diamonds from Côte d'Ivoire. The Republic of Congo (Brazzaville) was re-admitted to the Kimberley Process.

2. The plenary endorsed the Brussels Declaration on internal controls of Participants with rough diamond trading and manufacturing which gives guidance on controls for record keeping, spot checks of trading companies, physical inspections of imports and exports and maintenance of verifiable records of rough diamond inventories.

3. The plenary announced the Brussels Initiative on diamonds from Côte d'Ivoire to identify steps to enhance the control and monitoring of rough diamonds from Côte d'Ivoire, including the role of neighbouring countries, building on the 2005 Moscow Resolution on Côte d'Ivoire. These efforts will be undertaken in collaboration with Côte d'Ivoire and its neighbours. The Kimberley Process will work to ensure close coordination with the United Nations in these efforts.

4. The plenary took note of the developments in the implementation of the Kimberley Process in the Bolivarian Republic of Venezuela, notably the submission of the statistical and annual reports. The plenary welcomed the progress made by the South American regional sub-group of the Working Group of Artisanal Alluvial Producers and its efforts to strengthen a regional approach to Kimberley Process implementation. Venezuela ratified its continued commitment to the Kimberley Process and extended an invitation to the Kimberley Process Chair to lead a visit during the first quarter of 2008. The terms of reference of this visit will be those in the Administrative Decision on Peer Review.

5. Participants expressed appreciation for Ghana's considerable efforts in 2007 to enhance the credibility of its internal controls by monitoring exports, licensing miners and producing accurate diamond production data, all with assistance from fellow Kimberley Process Participants and the World Diamond Council. Plenary had agreed a package of measures with Ghana in November 2006 in response to concerns about internal controls which could have allowed Ivorian diamonds to transit the country. The plenary agreed to move to a risk-based approach to monitoring future exports of rough diamonds from Ghana, with continued support of fellow Participants and the World Diamond Council.

6. The plenary expressed appreciation to the European Commission for its efforts as Chair to strengthen the international implementation of the Kimberley Process in 2007. The plenary noted with satisfaction the efforts of the Chair to bring greater transparency to the Kimberley Process through the publication of diamond production and trade statistics, the production of a compendium of Kimberley Process rules and decisions and the upgrading of the Kimberley Process website at www.kimberleyprocess.com.

7. India will take over the Chairmanship from the European Community in January 2008. Namibia was selected to serve as the Vice-Chair of the Kimberley Process in 2008 and will assume the Chairmanship in 2009.

8. The plenary welcomed Liberia's participation in the Kimberley Process in 2007 and news that the first official diamond exports from Liberia were made in September 2007. Following the positive findings of a team of KP experts which visited Liberia in March, the United Nations Security Council lifted sanctions on Liberian diamonds in April. Liberia joined the Kimberley Process in May. A Friends of Liberia group met to discuss further assistance needs of Liberian Kimberley Process authorities to implement fully the Kimberley Process. The Kimberley Process will work to support Liberia's efforts to ensure that diamonds contribute to its sustainable economic development.

9. Plenary approved the re-admission of the Republic of Congo to the Kimberley Process. In addition to Liberia and the Republic of Congo, Turkey also joined as a new Participant in 2007. This brings to 48 the total number of Participants, including the European Community representing 27 member states. Burkina Faso, Cameroon, Egypt, Mali, Mexico and Tunisia attended Plenary and affirmed their intention to join the Kimberley Process, while Bahrain, Cape Verde, Gabon, Swaziland and Zambia have all expressed their interest in future participation.

10. The Working Group on Monitoring (WGM) reported that the Kimberley Process has completed the first round of peer review visits in 2007 with more than 50 on the ground inspection visits conducted to Participants and applicants since 2003. The second round of review visits was launched in 2007, with a visit to Zimbabwe. Virtually all Participants submitted annual reports on Kimberley Process implementation, which were assessed by the WGM. The plenary welcomed the invitations of Angola, CAR, DRC, EC, Guinea, Israel, Namibia and UAE for second round review visits.

11. The Working Group on Statistics (WGS) reported that in 2006 the Kimberley Process monitored $35.7 billion in rough diamond exports representing more than 480 million carats. Participants issued 55,000 certificates to accompany those shipments. The Kimberley Process released publicly global statistics for the first time in 2007 and posted them on the Kimberley Process website. The plenary approved the release of more detailed data in 2008. Canada and South Africa hosted, led and financed a training session on statistics and diamond evaluation in South Africa, and Canada led a statistics training session in Belgium, with plans for a further session in India in 2008.

12. The Kimberley Process reviewed progress made on the recommendations endorsed at the Gaborone plenary arising from the 2006 Three-Year Review of Kimberley Process implementation. The 2006 review concluded that the organization remained a necessary conflict prevention initiative. The plenary noted that all recommendations were either completed or well under way, and agreed to continue working in the year ahead on key issues including: funding and resource requirements; statistical data and analysis; government oversight of industry; and the treatment of illegal shipments.

13. The Working Group of Diamond Experts (WGDE) reported on a technical conference on traceability sponsored by the European Commission in October 2007. The group reported on progress to develop "footprints" (size-frequency distribution

diagrams) for West African diamond production. Footprints of Côte d'Ivoire and Ghana diamond production are now available. The WGDE also reported on its ongoing work on classification issues, valuation methodologies and missing and conflicting definitions.

14. The Working Group of Artisanal Alluvial Producers (WGAAP) reported on inventories of alluvial production conducted in 2007 and on consolidated inventories for West Africa, Central and Southern Africa and South America. The WGAAP presented a matrix of challenges facing artisanal/alluvial producing countries to be used as a tool to improve their internal controls. The plenary approved terms of reference and an action plan for the WGAAP. The plenary also approved a field visit plan for artisanal/alluvial producers and civil society to share experiences to improve internal controls and enhance local community involvement, and encouraged donor countries and institutions to contribute to implementation of this plan.

15. The plenary adopted terms of reference for the Committee on Rules and Procedures to assist the smooth functioning of the Kimberley Process. The plenary approved the Committee's recommendations regarding the chairmanship and membership of Kimberley Process working groups, endorsing current appointment practices.

16. The Coordinator for Technical Assistance noted that multilateral assistance efforts of government and industry in Liberia and Ghana in 2007 may become a model for future Kimberley Process engagement. Belgian experts from the Royal Institute for International Relations presented a research agenda for a new alluvial diamond-mining project. USAID reported on a property rights pilot project underway in the Central African Republic that will be expanded to Guinea in 2008. The U.S. Geological Survey (USGS) and the French Bureau de Recherche Géologique Minière (BRGM) reported on baseline geological studies being conducted in Mali and CAR. Tanzania reported on the Mwadui Community Diamond Partnership (MCDP) on formalisation of small-scale mining undertaken in cooperation with De Beers, and the plenary heard reports on developments in the Diamond Development Initiative (DDI) and the Diamonds for Development (D4D) programme in West Africa. Plenary noted views on the importance of a development agenda to complement the work of the Kimberley Process.

17. A record number of civil society organisations were represented at the plenary. The group issued a declaration calling on participant governments to engage with civil society in the implementation of the Kimberley Process in their home countries. The Chairman expressed appreciation for civil society's increased participation. Belgium, the EC KP Secretariat, working group chairs and industry supported a two-day orientation session for civil society representatives held before Plenary.

18. The Chairman reported on continued collaboration with the United Nations Sanctions Committees on Côte d'Ivoire and on Liberia enabling progress in the respective countries. The Chairman also pursued dialogue and cooperation with U.N. Panels of Experts and various diamond organisations while the Coordinator for Technical Assistance initiated discussions with the World Bank and the United Nations Development Programme.

Appendix 2

List of Kimberley Process Participants as at 8 November 2007

States and regional economic integration organizations which have met the minimum requirements of the Kimberley Process Certification Scheme are:

1. Angola
2. Armenia
3. Australia
4. Bangladesh
5. Belarus
6. Botswana
7. Brazil
8. Canada
9. Central African Republic
10. China
11. Congo, Democratic Republic of
12. Côte d'Ivoire
13. Croatia
14. European Community
15. Ghana
16. Guinea
17. Guyana
18. India
19. Indonesia
20. Israel
21. Japan
22. Korea, Republic of
23. Lao People's Democratic Republic of
24. Lebanon
25. Lesotho
26. Liberia
27. Malaysia
28. Mauritius
29. Namibia
30. New Zealand
31. Norway
32. Russian Federation
33. Republic of the Congo
34. Sierra Leone
35. Singapore
36. South Africa
37. Sri Lanka
38. Switzerland
39. Tanzania, United Republic of
40. Thailand
41. Togo
42. Turkey
43. Ukraine
44. United Arab Emirates
45. United States of America
46. Venezuela
47. Viet Nam
48. Zimbabwe

NOTE: The rough diamond-trading entity of Chinese Taipei has also met the minimum requirements of the KPCS.

Appendix 3

Composition of the Kimberley Process Secretariat and KP Working Groups as at 8 November 2007

(a) Chair and Secretariat (European Community)

Mr Karel Kovanda (Chairman 2007)

Mr Christian Berger

Ms Alyson King

Mr Stéphane Chardon

Mr Jean-Cedric Janssens de Bisthoven

Mr Willem Jaspers

(b) Subsidiary bodies

I. Working Group on Monitoring

Chairman: Mr Stéphane Chardon (European Community)

Assistant: Israel *Members*: Canada, CAR, EC, India, Israel, PRC, Russian Federation, South Africa, UAE, USA, WDC, GW/PAC

II. Working Group on Statistics

Chairman: Mr Rob Dunn (Canada)

Assistant: Botswana *Members*: Angola, Botswana, Canada, PRC, DRC, EC, India, Israel, Russian Federation, South Africa, Switzerland, UAE, US, WDC, PAC/GW

III. Working Group of Diamond Experts and Technical Issues

Chairman: Mr Mark Van Bockstael (World Diamond Council)

Assistant: South Africa *Members*: Australia, Botswana, Canada, PRC, EC, India, Israel, Russian Federation, South Africa, USA, UAE, WDC

IV. Participation Committee

Chairman: Mr Kago Moshashane (Botswana)

Members: Angola, Botswana, Canada, PRC, EC, India, Israel, Russian Federation, South Africa, USA, WDC, GW/PAC

V. Committee on Rules and Procedures

Chairman: Mr Andrey Kutepov (Russian Federation)

Members: Angola, Botswana, Canada, EC, Israel, Russian Federation, South Africa, Switzerland, USA, PAC/GW, WDC

VI. Working Group of Artisanal Alluvial Producers

Chairman: Mr Paulo Mvika (Angola)

Regional co-ordinators: Sierra Leone (West Africa), DRC (Central and Southern Africa), Brazil (Latin America) *Members*: Angola, Brazil, Côte d'Ivoire (after sanctions lift), CAR, DRC, Ghana, Guinea, Guyana, Liberia, Namibia, Republic of Congo, Sierra Leone, South Africa, Tanzania, Togo, Venezuela, Zimbabwe

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Agenda item 13
The role of diamonds in fuelling conflict

Letter dated 13 November 2007 from the Head of the Delegation of the European Commission to the United Nations addressed to the Secretary-General

Addendum

The following text is to be inserted in the annex, after paragraph 16.

16.

16 bis. **Development of the system of rules and procedures.** In 2007, considerable attention was paid to developing the rules and procedures applicable within the KP, and to defining the mandate of the Committee on Rules and Procedures. To ensure transparency and uniform application of KP rules of procedures, a Compendium on Rules and Procedures is being prepared.

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